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CONTENTS

5 September 1991

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

PRC, Taiwan, Hong Kong To Join APEC *[YONHAP]* 1
ASEAN Heads To Discuss Free Trade Area *[Bangkok THE NATION 4 Sep]* 1
Mekong Committee Plans To Discuss Cambodia *[Bangkok THE NATION 3 Sep]* 2

NORTHEAST ASIA

Japan

Mongolian Assistance Meeting Opens in Tokyo *[KYODO]* 4
Brazil Urged To Resume Import Payments *[KYODO]* 4
Government Okays JAL Flights to Berlin *[KYODO]* 4
Latvian Independence To Be Recognized 'Shortly' *[KYODO]* 4
Export Controls on Baltic States To Continue *[KYODO]* 5
Firm To Develop Oil Well Off Iranian Coast *[KYODO]* 5
Kaifu To Miss UN General Assembly Meeting *[KYODO]* 5
Roundtable Discussion on New USSR *[Tokyo TV]* 5
Company To Aid Mongolian Earth Station *[KYODO]* 7
Final PKO Bill Deliberations Round Started *[Tokyo TV]* 8
Political Funds Donations Record Set in 1990 *[KYODO]* 8
    Businessmen Disappointed *[KYODO]* 9
Takeshita Faction Leader on LDP Election *[Tokyo TV]* 9
Caution in Creating Securities Watchdog Urged *[KYODO]* 10
Former Saitama Bank Official Arrested for Fraud *[KYODO]* 10
Economic Growth Foreseen Despite CO2 Controls *[KYODO]* 10
Drop in Corporate Pretax Profits Predicted *[KYODO]* 10
Investment, Loan Agency Requests 46 Trillion Yen *[KYODO]* 11

North Korea

Report on Political Situation in USSR *[KCNA]* 11
U.S. Reconnaissance Flights During Aug Reported *[KCNA]* 12
U.S. Strategy for 'Armed Interference' Viewed *[Pyongyang Radio]* 12
South's National Security Law Criticized *[KCNA]* 14
South Minister's Reunification Remarks Deplored *[KCNA]* 14
Comment on South's Nuclear Inspection Position *[KCNA]* 15
Chondaehyop Delegates Attend Meeting in Wonsan *[Pyongyang Radio]* 15
South's Intention To Reunify Questioned *[KCNA]* 15
Removal of North-South 'Confrontation' Urged *[KCNA]* 16
South's Decision on Police Carrying Arms Viewed *[KCNA]* 17
International Journalist Training Course Opens *[KCNA]* 17
Kim Yong-nam Meets Burkinabe Foreign Minister *[KCNA]* 17
Kim Yong-nam Attends Nonaligned Meeting in Ghana *[Pyongyang Radio]* 18
Kim Tal-hyon Meets Philippine Delegation *[KCNA]* 18
Plan Signed With Cuban Health Ministry *[KCNA]* 18
Scientific-Technological Protocol With PRC *[KCNA]* 18
Developments in Cambodian Situation Viewed *[KCNA]* 18
Kim Il-song's On-Spot Guidance in N Hamgyong *[Pyongyang Radio]* 19
Kim Chong-il Letter on Youth Day Lauded *[Pyongyang Radio]* 21
Living, Acting in 'Our Own Way' Stressed *[Pyongyang Radio]* 24
Modeling Society on Chuche Idea Advocated *[KCNA]* 26

Developing Own Ideological Viewpoint Stressed *[KCNA]* 27
Technical Innovaton Movement Efforts Viewed *[KCNA]* 28
Production of Nagwon Oxygen Plant Factory Viewed *[KCNA]* 28
KCNA Reviews 31 Aug Pyongyang Press 28
KCNA Review of 4 Sep Pyongyang Press 29
KCNA Review of 5 Sep Pyongyang Press 30

South Korea

Editorial Views No's Trip to U.S., Mexico *[THE KOREA HERALD 1 Sep]* 31
Hyundai Signs Contract With U.S.'s Goodyear *[YONHAP]* 32
U.S. Officials on DPRK Nuclear Development *[YONHAP]* 32
DPRK's New Civil Law on Private Ownership *[Seoul Radio]* 32
Possible North Economic Changes Viewed *[CHOSON ILBO 1 Aug]* 33
USSR Scholar Views N-S After Soviet Coup *[CHOSON ILBO 5 Sep]* 34
* Uprising Unlikely in Post-Kim Il-song Era *[WOLGAN CHOSON 1 Jun]* 34
N-S Student Contact for Exchange Tours Approved *[YONHAP]* 40
Two Students Arrested en Route to Panmunjom *[Seoul Radio]* 40
Chondaehyop Group Arrested at ROK-U.S. CFC *[Seoul Radio]* 41
Talks Under Way for N-S Musicians' Performance *[YONHAP]* 41
Inter-Korean Trade Passes $100 Million Jan-Aug *[YONHAP]* 41
Company Plans for Direct Trade With North *[THE KOREA HERALD 5 Sep]* 41
North Korean Company Opens Branch in Japan *[YONHAP]* 41
More on Defection by North Espionage Agent *[YONHAP]* 42
Northeast Asian Economic Body Proposed *[THE KOREA HERALD 5 Sep]* 42
Belorussian Prime Minister To Arrive 6 Sep *[YONHAP]* 43
More on USSR Envoy's Return, Gorbachev Letter *[THE KOREA HERALD 31 Aug]* 43
Shipbuilders Confident of Payment by USSR *[THE KOREA ECONOMIC JOURNAL 2 Sep]* 43
European Investment Increases Over 610 Percent *[YONHAP]* 44
ROK Christians in PRC 'Creating Unrest' *[YONHAP]* 44
Samsung Company Officials Leave for China *[THE KOREA HERALD 5 Sep]* 44
* ROK-Japan Trade-Technology Talks 'Fruitless' *[MAEIL KYONGJE SINMUN 19 Jun]* 44
Fund Established for Trade Deficit With Japan *[YONHAP]* 45
Companies Seek Permission for Projects in SRV *[YONHAP]* 46
Company Plans Automobile Plant in Vietnam *[THE KOREA HERALD 4 Sep]* 46
Post-War Exports to Middle East Rallying *[YONHAP]* 46
Stock Market To Open to Foreigners Jan '92 *[YONHAP]* 46
DLP Approves Budget; Official Criticizes Policy *[THE KOREA HERALD 4 Sep]* 47
Construction Boom Added to Trade Deficit *[THE KOREA TIMES 4 Sep]* 47
Private Investment in Social Infrastructure *[YONHAP]* 48
Domestic-Made Defense Products Preferred *[THE KOREA HERALD 5 Sep]* 48
Defense Minister on Military Service Changes *[YONHAP]* 49
President No on Riot Control Techniques *[YONHAP]* 49
Survey on Demonstrations, Understanding of North *[CHUNGANG ILBO 29 Aug]* 49

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

King, Queen Begin 12-Day Visit to PRC, ROK *[Kuala Lumpur International]* 50
Leaders Congratulate Vietnam on National Day *[Kuala Lumpur International]* 50

Singapore

Goh Gives Postelection News Conference 1 Sep *[THE STRAITS TIMES 2 Sep]* 50
Workers Party Urges PAP to 'Unshackle' Press *[AFP]* 51

Cambodia

SNC Success Due to Phnom Penh 'Concessions' *[Phnom Penh Radio]* 52
Activities Commemorate SRV Aug Revolution 53
  Phnom Penh Meeting Marks Day *[SPK]* 53
  Chea Sim Greets SRV Front Chairman *[Phnom Penh Radio]* 53
  Party Journal Marks National Day *[Phnom Penh Radio]* 54
Visits, Messages to Flood-Affected Regions 54
  Heng Samrin Visits Victims *[Phnom Penh Radio]* 54
  Hun Sen Tours Flooded Areas *[SPK]* 55
  Lao Leaders Express Sympathy *[SPK]* 55
Sihanouk Discusses Elections, Armed Forces *[Bangkok TV]* 55
Election of 'Liberal Democratic Regime' Urged *[Radio VOK]* 56

Philippines

Reportage on Bases Treaty Controversy Continues 56
  Senate To Deliberate for One Week *[Manila Radio]* 56
  Maceda Doubts Military Allocation *[Quezon City Radio]* 57
  Communist Offensive Plan Noted *[Manila Radio]* 57
  Diplomats on Ratification Importance *[Quezon City Radio]* 57
  Board on Sugar Industry Effects *[Quezon City Radio]* 57
  Ratification Affects Foreign Debt *[PHILIPPINES NEWSDAY 3 Sep]* 58
  Four Senators Want Debt Relief *[Manila Radio]* 58
  More on Debt Relief Issue *[MALAYA 31 Aug]* 59
  National Referendum Proposed *[Manila Radio]* 60
  Aquino Defends Rally Decision *[AFP]* 60
  Estrada Suggests Antibases Rally *[Manila Radio]* 60
Manila Signs Sugar Variety Program With Cuba *[Quezon City Radio]* 60
Trade With South Africa To Resume 'Soon' *[MALAYA 30 Aug]* 60
COMELEC Urges New Election Law Enactment *[MANILA BULLETIN 28 Aug]* 61
Aquino Names New National Oil Company Chairman *[Manila Radio]* 61
De Villa Orders Military 'Abuses' Investigated *[Manila Radio]* 61
Navy Chief on Revamp, New Maintenance Commander *[MANILA BULLETIN 30 Aug]* 62
  Says Modernization in Progress *[MANILA BULLETIN 31 Aug]* 62
Political Detainees Denounce 'Lightning Raid' *[THE CHRONICLE 26 Aug]* 62
Elimination of Two Major Internal Threats Seen *[PHILIPPINES NEWSDAY 29 Aug]* 63
Military Operation Affects Negros Island NPA *[Quezon City Radio]* 63
Trade Exports to European Community Increase *[BUSINESS WORLD 29 Aug]* 63

Thailand

Party Leaders Discuss 'Undemocratic' Constitution *[THE NATION 4 Sep]* 63
Report Details National Economic, Social Plan *[THE NATION 2 Sep]* 64
  Commentary Views Plan *[THE NATION 3 Sep]* 66
  Anan Urges Long-Term Angle *[THE NATION 4 Sep]* 66
Three Part Roundtable Reviews Anan Government 67
  Part One *[THE NATION 2 Sep]* 67
  Part Two *[THE NATION 3 Sep]* 68
  Part Three *[THE NATION 4 Sep]* 70
Editorial Warns Singapore Premier of Overreacting *[BANGKOK POST 3 Sep]* 71
Defense Minister on Budget Increase Request *[Bangkok Radio]* 72
Supreme Command Wants To Buy 38 Fighters *[THE NATION 4 Sep]* 73
Deputy Minister Says Army 'Understands' Cuts *[Bangkok Radio]* 74
159 Vietnamese Fishermen Held in Detention *[THE NATION 3 Sep]* 74
Sunthon Meets Singapore Chief of General Staff *[Bangkok TV]* 74
Engineer Shortage Blocks Economic Development *[THE NATION 3 Sep]* 74

Vietnam

Commentary Hails Normalizing China Relations *[Hanoi Radio]* 75

  - Foreign Minister To Visit China *[Hanoi Radio]* 75
  - Spokesman Hails Improving Relations *[Hanoi Radio]* 75
- Fidel Castro Sends Greetings to Vo Van Kiet *[Hanoi Radio]* 76
- Further Reportage Covers National Day 2 Sep 76
  - Leaders Pay Tribute to President *[Hanoi Radio]* 76
  - Rally To Mark Aug Revolution *[Hanoi Radio]* 76
  - Delegations Pay Tribute *[VNA]* 78
  - Vo Tran Chi Attends Celebration *[Hanoi Radio]* 78
  - Meeting Held in Ho Chi Minh City *[VNA]* 78
  - Pham The Duyet Attends Ceremony *[Hanoi Radio]* 78
  - Chinese People Cross Border *[Hanoi Radio]* 79
  - Foreign Countries Mark Day *[VNA]* 79
  - Leaders Send Greetings to Malaysia *[Hanoi Radio]* 79
- Lee Quang Dao Receives Catholic Archbishop *[VNA]* 79
- Le Phuoc Tho Attends Thai Binh Party Congress *[Hanoi Radio]* 80
- Interpol President Visits Hanoi 24-29 Aug *[VNA]* 80
- Kien Giang Disciplines 544 Party Members *[Hanoi Radio]* 80
- Vinh Phu Settles Thousands in New Economic Zones *[Hanoi Radio]* 80
- Nguyen Van Linh Visits Factories *[Hanoi Radio]* 81
- VNA Releases 1986-91 Economic Indicators 81
- Decree Promulgates Child Care, Education Law *[Hanoi Radio]* 82
- Committee Seeks Good Conditions for Investment *[Hanoi Radio]* 84

AUSTRALASIA

Australia

- Government Reacts to Cambodian Settlement 85
  - Said 'Ready To Send 500 Troops' *[Melbourne Radio]* 85
  - Khmer Rouge 'Has No Military Future' *[AFP]* 85
  - Renewed Aid to Vietnam Considered *[AFP]* 85
- Canberra Rally Urges Recognition of Croatia *[AFP]* 85
  - Evans 'Refuses To Be Rushed' *[AFP]* 86

Fiji

- Employers Warned To Expect Growing Union Demands *[Melbourne Radio]* 86

New Zealand

- Attempt To Force Peters From Cabinet Fails *[AFP]* 86

Papua New Guinea

- BRA Claims To Uncover Government 'Spy Network' *[Melbourne Radio]* 87

Vanuatu

- Further on No-Confidence Vote, Government Crisis 87
  - Lini Boycott Prevents Vote *[AFP]* 87
  - Vote Scheduled for 6 Sep *[AFP]* 87
  - Lini Supporters To Attend Session *[Melbourne Radio]* 89

PRC, Taiwan, Hong Kong To Join APEC

SK2808062291 Seoul YONHAP in English 0535 GMT 28 Aug 91

[Text] Seoul, Aug. 28 (OANA-YONHAP)—Chinese Foreign Minister Qian Qichen is expected to visit Seoul in November, raising hopes here for negotiations on the establishment of diplomatic relations between Seoul and Beijing.

The Chinese Foreign Minister's visit to Seoul came to happen because China, Taiwan and Hong Kong will join the Asia-Pacific Economic Cooperation (APEC) and attend the APEC ministerial conference in Seoul Nov. 12-14.

The "three Chinas" accepted a Korean compromise on their names and their entry was approved at the Senior Officials Meeting (SOM) that opened in the southern Korean city of Kyongju on Tuesday, the Foreign Ministry said Wednesday.

The SOM will recommend APEC members accept the three as full participants. Yi Si-yong, assistant policy planning minister, is SOM chairman.

China will be known as the "People's Republic of China" and Taiwan as "Chinese Taipei."

"Having received the report of the chairman on his consultations with the PRC, Taiwan and Hong Kong, the senior officials agreed to recommend to their ministers that the three be invited to participate in APEC as full participants at the third ministerial meeting in Seoul in November, based on the terms set forth by ministers in their Singapore meeting in July last year," an official statement issued by SOM said.

Korea, as APEC chairnation, held separate talks with officials from the three Chinas Aug. 19-21 in Seoul and presented them with a compromise package on their names and delegations.

China is opposed to Taiwan sending its foreign minister to the Seoul meeting. The consensus is that each participating nation is free to choose its chief delegate, but Taiwan, considering other nations' opinions, will send a vice foreign minister-level official, according to ministry officials.

Seoul-Beijing diplomatic normalization was discussed in the senior officials meeting, and the officials suggested that the discussions were detailed.

Korean Foreign Minister Yi Sang-ok is due to visit Beijing, next chairnation of the U.N. Economic and Social Commission for Asia and the Pacific, as chief Korean delegate next April.

ASEAN Heads To Discuss Free Trade Area

BK0409031191 Bangkok THE NATION in English 4 Sep 91 p B20

[Text] ASEAN heads of state, who will meet in Singapore early next year to set the long-term broad economic direction for the region, will discuss the proposed establishment of an ASEAN Free Trade Area within a time frame of 10 to 15 years.

Government sources said the proposal, suggested by Thai Prime Minister Anan Panyarachun, will top the agenda of the 4th ASEAN Summit to be held in Singapore from Jan 27 to 28.

The proposal has received favourable response from both Singapore's Prime Minister Goh Chok Tong and Malaysian Prime Minister Mahathir Mohamad, with whom Anan had preliminary consultations during his ASEAN tour earlier this year.

ASEAN is an organization of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand that seeks to promote broad economic cooperation among member countries.

Narongchai Akhasani, an economist who has worked on many ASEAN trade issues, expressed confidence that the proposed free trade zone is likely to be endorsed by the ASEAN heads of states. He added that the other ASEAN leaders are very fond of Anan and have agreed to move forward the summit meeting as the Thai prime ministerial tenure is expected to be over sometime in February or March.

The summit agenda also highlights the improvement of the tax concessions each member grants to fellow ASEAN nations. Under this arrangement, known as the common effective preferential tariff, thousands of farm and industrial goods originating from any ASEAN country enjoy lower tariff rates when entering other member countries.

The system, however, has proved ineffective in expanding trade and investment in the group because of long export-import procedures and the narrow scope of popular items sold among ASEAN.

Although the intra-ASEAN trade has improved significantly in the recent past, senior trade officials have felt that the potential of the tax concessions was not fully realized. Thailand has proposed that the item-based approach be switched to a sector-based approach in which similar product groups enjoy the same tariff cuts.

The prime ministers of the six ASEAN countries will also discuss the growth triangle concept as a building block for the establishment of greater economic linkages within ASEAN.

The growth triangle project in Batam island of Indonesia, which is a joint effort of Indonesia, Malaysia and Singapore, will be used as a basis for discussion.

In addition, the Philippine proposal to establish an ASEAN economic cooperation treaty will also be discussed in greater detail.

At the same time, the six ASEAN countries will examine the progress of the regional economic cooperation guided by various principles of grouping such as the Asia Pacific Economic Cooperation (APEC), Malaysia's East Asian Economic Grouping concept and the ASEAN-US Initiative which provides the basis for the proposed creation of an ASEAN-US free trade area.

—Thailand will ask ASEAN agriculture and forestry ministers to declare nine farm products as ASEAN goods so that the six member countries will jointly formulate their manufacturing and marketing strategies to support the products in international markets.

The proposal will be examined by the ASEAN Committee on Food, Agriculture and Forestry at its meeting in Indonesia today. Wanit Warikun, deputy permanent secretary of the Agriculture Ministry, leads the Thai delegation.

The proposal will be finalized by ASEAN ministers who will meet in the northern province of Chiang Rai on Oct 31 to Nov 2. Deputy Agriculture Minister At Taolanon will be the leader of the Thai ministerial delegation.

The nine products to be proposed as ASEAN products are frozen chicken, canned pineapple, canned seafood, tapioca, rubber, plywood, palm oil and coconut oil. Thailand has been assigned to study the potential of the first five items and submit its evaluation to the ministers.

According to At, ASEAN has to strengthen its bargaining power by collectively designing its manufacture and marketing strategy to penetrate foreign markets. They will also have to together negotiate with major importing countries which are forming economic groups to open up those markets in the face of escalating regionalism.

Mekong Committee Plans To Discuss Cambodia

BK0309093991 Bangkok THE NATION in English 3 Sep 91 p E3

[By Margo Towie]

[Text] As hopes of a peace settlement in Cambodia continue to grow so too does the prospect that large-scale development of the Mekong River will go ahead.

The Mekong Committee, an intergovernmental agency formed in 1957 under the sponsorship of the United Nations, will hold its first full meeting in 16 years on Nov 4.

Cambodia, Thailand, Laos and Vietnam comprise the Mekong committee, set up to coordinate development of the river in ways which will benefit all countries.

But work has been all but stymied for the past decade and a half while Cambodia has been embroiled in political upheaval and unrest.

During that time an interim committee has coordinated what little work has gone ahead. A grandiose and capital-intensive plan to build a cascade of seven dams for power generation and irrigation has remained blueprinted for two decades.

In the meantime, the committee has some 95 projects on its books with a funding requirement of US$110 million (Bt2.75 billion).

This does not include the dam projects, which are still undergoing feasibility studies as objectives change. As a rough estimate, the Mekong Committee puts a price tag of around US$3 billion (Bt75 billion) alone on the construction of the Pa Mong dam, planned to plug the river flow just upstream from Vientiane.

But the first hurdle the grouping faces is to reach a consensus on which projects should have priority. Until that can be reached, the engineers' plans will remain just that.

Cambodia's Supreme National Council (SNC), a coalition of the country's four political factions, will take up the seat vacated by more than a decade of civil war.

There are 38 pipeline projects planed for Cambodia but these have been honed down to 16 in deference to the realities of raising the necessary capital.

Of these, the committee is keen to halve the number again and plans meetings with the SNC ahead of the full Mekong Committee meeting in a bid to reach a consensus on what should go ahead and what should be stalled.

But moving the committee's job forward will not be smooth just because the four country members are again sitting around the table.

If anything, Cambodia will be the wild card on project go-ahead with SNC cohesion still embryonic and yet to be tested.

A Cambodian National Mekong Committee has been operational for several years and, the full committee's executive agent Chuck Lankester said, the three resistance factions had been kept up to date on developments.

"But they have not worked together," Lankester said.

As an example of the type of sensitivities which could be exposed by the committee, Lankester cited a proposal to upgrade Phnom Penh's port.

"When the balloon goes up and everybody rushes into Cambodia, will the resistance factions see it (the port) as an infrastructure bottleneck to development or see it as strategic development," Lankester queried.

"Hopefully though, we can get out of the political arena and get on with it."

Getting on with it in Lankester's terms is identifying ways to cost effectively tap the Mekong River's resources in the lower basin catchment area of more than 600,000 square kilometres: almost the whole of the Lao PDR and Cambodia, one-third of Thailand and one-fifth of Vietnam.

The Mekong is the world's 12th longest river.

It begins its 4200-kilometre journey 5000 metres above sea level on the Tibetan plateau, carves a turbulent course through China, flows through Burma then downward into the basin region before spilling 475,000 cubic metres of water into the South China Sea from its eight mouths in southern Vietnam.

But the Mekong River's vast reserves of life-supporting water are not stable. Fluctuations mean either drought or flood to some 52 million people in the region, the vast majority of whom are farmers.

Hence the committee's controversial cascade dam plan to regulate water flow and also harness hydropower which would help fill all three countries' power generation needs.

Hydropower potential is in the order of 37,000 megawatts, most of which would be generated in Laos and Cambodia and sold to Thailand and Vietnam.

Lankester said financing would require a consortia of international lending agencies in conjunction with commercial banks to raise the capital needed for construction.

Given Laos and Cambodia's impoverished economies, Lankester said Thailand would have to take a major equity position initially but could later sell back equity stakes as its neighbours economies developed.

But Lankester acknowledges the projects are controversial and he acknowledges opposition to the dam proposals is to some extent well founded.

"There are a lot of controversial things we're doing; building dams is hardly the flavour of the month or the decade," Lankester said.

"Hydroelectric proposals in general in many developing countries, in particular Asia, have been the subject of some unimaginative engineering proposals."

Little of the planning had considered sustainable development, he said, and even less had taken into account issues of environmental or sociological impact.

By contrast the Mekong Committee proposals, Lankester said, were holistic, taking into account environmental, sociological and economic impacts before they were given the green light.

That said, Lankester also acknowledged the committee's blueprinted dam projects required massive overhaul to ensure they met changed objectives of the 1990s.

"That is one of the first tasks the full committee will have to consider," Lankester said.

One of the more controversial is the planned Pa Mong dam close to the Lao capital of Vientiane.

"All you have to do is cork the bugger up, from the perspective of a dam builder it's a great project," Lankester said.

As the dam's height has been lowered from the original design, the number of people to be misplaced by stemming the river's flow has been reduced from 250,000 to 40,000.

Lankester now says the committee would have nothing to do with the project if it were not convinced all those to be displaced were relocated and, if need be, retrained.

Even so, he argues "while the dam has slept" other projects using lignite and other environmentally contaminating fuels have gone ahead.

"I think there has been an oversimplified reaction away from dams to an over-hasty refocus on to projects which may carry worse hazards," Lankester said.

"One of the results has been a shift to some energy alternatives, such as lignite, low sulphur coal and nuclear, which I suspect certainly have much more of an adverse environmental impact.

"These power sources are now belching into the sky particulants and gases at a time we're worried about the environment.

"We are not advocating just any dams, we have firmly advocated feasibility and pre-feasibility studies to ensure these are 'clean' projects.

"That means we have to include the social costs or resettlement into the capital costs.

"At a crude calculation that would mean about US$3-$4 million in the case of Pa Mong.

"Otherwise every little bit of work the Mekong Committee has done could be jeopardized if there's just one photograph and caption of a displaced family with where to go."

Adding further complexity but providing a wider perspective is the likelihood China will become at least a defacto member of the committee.

Japan

Mongolian Assistance Meeting Opens in Tokyo

*OW0509033191 Tokyo KYODO in English
0255 GMT 5 Sep 91*

[Text] Tokyo, Sept. 5 KYODO—A high-powered, two-day international aid meeting began in Tokyo on Thursday to discuss providing assistance to Mongolia to support the economic reform process under way there.

Japan, which with the World Bank is co-sponsoring the meeting, is expected to offer 7 to 8 billion yen in loans to Mongolia during the conference.

Other participants include Australia, France, Germany, South Korea, the United States, the European Community, the International Monetary Fund, and the Asian Development Bank. Altogether the group is expected to pledge an estimated 100 million dollars in aid to Mongolia, according to ministry sources.

Foreign Minister Taro Nakayama, in a speech opening the conference, said that Mongolia is now facing a great challenge in attempting to establish democracy and a market-oriented economy.

During a visit to Mongolia in August with Japanese Prime Minister Toshiki Kaifu, Nakayama said he found "most impressive" the determination of the Mongolian people and government to pursue reform. Supporting that process is an urgent task for the international community, Nakayama said.

Mongolia is struggling with severe economic problems caused by the collapse of the Eastern bloc economy, and has called for international support to tide it over the coming severe winter.

The Japanese Government and the Mongolian delegation signed a document Wednesday providing 2 billion yen in emergency Japanese assistance.

Brazil Urged To Resume Import Payments

*OW0409150491 Tokyo KYODO in English 1059 GMT
4 Sep 91*

[Text] Tokyo, Sept. 4 KYODO—Eiichi Nakao, minister of international trade and industry, Wednesday urged Brazil to make efforts to resume its belated payments for imports from Japan.

In a meeting with visiting Brazilian Minister of Economy Marcilio Moreira, Nakao said that his ministry has paid about 100 billion yen in trade insurance to Japanese trading houses which have complained about delayed payments by the Brazilian Government.

Since Japan is unfreezing its pledged 64 billion yen in loans to Brazil through the Overseas Economic Cooperation Fund (OECD), Brazil should make every effort to resume these trade payments, Nakao said.

Moreira, who is on a five-day visit to Japan until Friday mainly for the purpose of signing an agreement on the OECD loans, agreed with Nakao. Moreira said that a comprehensive economic and financial reconstruction plan is under way in Brazil and that he believes the issue of trade payments will be solved during this reconstruction.

According to an official at MITI's Oceania-Latin America office who attended the meeting, the two ministers agreed on the necessity of concluding the stalled Uruguay round of multilateral trade talks within this year.

The ministers promised to support the creation of international rules on dispute settlement under the General Agreement on Tariffs and Trade (GATT), while opposing one-sided retaliatory measures such as the "super 301" clause of the U.S. omnibus trade act, the MITI official said.

Government Okays JAL Flights to Berlin

*OW0509045091 Tokyo KYODO in English 0356 GMT
5 Sep 91*

[Text] Tokyo, Sept. 5 KYODO—A government advisory panel Thursday gave the green light for Japan Airlines Co. (JAL) to operate flights between Tokyo and Berlin via Frankfurt, the Transport Ministry said Thursday.

The approval by the transport council paves the way for the ministry to permit JAL to run two weekly flights on the Tokyo-Berlin route from November 3. Final ministry approval is expected on Friday, officials said.

JAL currently operates seven weekly flights between Tokyo and Frankfurt, of which two flights will be transferred to the new route, the officials said.

Latvian Independence To Be Recognized 'Shortly'

*OW0409164791 Tokyo KYODO in English 1423 GMT
4 Sep 91*

[Text] Riga, Latvia, Sept. 4 (KYODO)—A Japanese Government mission chief conveyed on Wednesday Japan's support for Latvia on the declaration of its independence, saying Tokyo will formally recognize Latvia's independence shortly.

Hirokazu Arai, former ambassador to East Germany who is leading the five-member mission, made the remark when he and other delegates had talks with senior Latvian Government leader Danis Ivans, Latvian republic officials said.

The Japanese delegation and Ivans discussed the diplomatic procedures which will follow the formal recognition of Latvia's independence by Japan.

In Tokyo Chief Cabinet Secretary Misoji Sakamoto said on Tuesday that Japan's recognition of the Baltic states is likely to be delayed another week until the return of the mission.

Arai and his team are scheduled to return to Tokyo on September 10.

Dozens of countries have already recognized the independence of the three Baltic states— Latvia, Lithuania, and Estonia—which were incorporated into the Soviet Union in 1940 as a result of the 1939 signing of a secret pact between Nazi Germany and the Kremlin.

Export Controls on Baltic States To Continue

OW0409142791 Tokyo KYODO in English 1213 GMT 4 Sep 91

[Text] Tokyo, Sept. 3 KYODO—Japan is considering continuing COCOM high-tech export restrictions on the three Baltic states declaring independence from the Soviet Union, though they could be eased slightly, a government source said Wednesday.

The source said the list of restricted items for Estonia, Lithuania, and Latvia will stay the same as one for the Soviet Union, but the lesser security threat posed by the three countries could allow conditions to be eased to the level set for former communist East European countries.

COCOM, or the Coordinating Committee for Multilateral Export Controls, is a Western-bloc trade body that controls exports to communist countries.

Japan is expected to officially recognize the republics around next week, government spokesman Misoji Sakamoto said Tuesday.

Firm To Develop Oil Well Off Iranian Coast

OW0509111291 Tokyo KYODO in English 1002 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Japan Petroleum Exploitation Co. has basically agreed to jointly develop an oil well in the Strait of Hormuz with an Iranian state concern, company officials said Thursday.

The project, the first oil well development by a foreign company in Iran, is aimed at expanding ties with Iran, the second largest Middle East oil supplier for Japan after Saudi Arabia.

The officials say the joint project will benefit Japan by allowing the country to enter the oil production business. They add that it will also help Iran by boosting its oil sales to Japan, the largest oil consumer in Asia.

Under the 1.6 billion dollar development proposal, a business group led by the Japanese company will join National Iranian Oil Co. to jointly exploit the 3,600-square-kilometer area in the northern part of the strait.

The well, with an estimated 500 to 700 million barrels worth of oil reserves, is expected to produce 90,000 barrels per day after output starts [word indistinct] nearly all crude produced will be shipped to Japan.

The entire cost of the project will be covered by the Japanese side initially, but Iran will repay the debt in crude oil once production starts.

Kaifu To Miss UN General Assembly Meeting

OW0509043091 Tokyo KYODO in English 0411 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Prime Minister Toshiki Kaifu will forgo attending the United Nations General Assembly this month in order to tend to his proposed bill on political reforms, a top government spokesman said Thursday.

Kaifu had hoped to attend the annual session in New York to present his proposal for establishing a U.N. system to monitor international trade in conventional arms. But he has been peppered with criticism recently from among the ranks of his own ruling Liberal Democratic Party (LDP) for failing to bring to fruition political reforms he pledged two years ago.

Chief Cabinet Secretary Misoji Sakamoto said at a news conference that there are various "views" within the party, but said Kaifu will continue doing his utmost to introduce political reforms, resolve the stock brokerage scandal, and pass a bill enabling Japan to play a more active role in U.N. peacekeeping activities. "He is not thinking beyond that," Sakamoto said.

When Kaifu was named to take over the premiership in August 1989—a choice that surprised political analysts—in a move to help the party recover from a series of sex and money scandals, he immediately pledged to see through reforms aimed at cutting the cost of elections.

His two-year term as LDP president ends in October, and he would then have to stand for reelection if he wishes to continue as premier. The party's president automatically becomes prime minister because of its majority in the House of Representatives.

Roundtable Discussion on New USSR

OW0409045191 Tokyo NHK General Television Network in Japanese 0000 GMT 25 Aug 91

[Roundtable talk entitled "Gorbachev and Yeltsin—What Will Happen To The Soviet Union?"; participants: Nagao Hyodo, director general of the Foreign Ministry European-Oceanic Affairs Bureau; Tadao Morimoto, adviser to Toray Management Research Institute; Takehiko Kamo, professor at the University of Tokyo; Masayuki Yamauchi, assistant professor at the University of Tokyo; and Nobuo Shimotomai, professor at Hosei University; moderated by NHK commentator Korehito Obama]

[Excerpts] [Obama] Good morning. At this time we are going to broadcast a round-table discussion on the Soviet situation following the coup failure. However, there have been new developments during the night. This news was reported to you earlier, but I will repeat it. [passage omitted]

Now, we will discuss these Soviet developments with the participation of experts. To start I will ask everyone the same question. Please state how you view the moves for the dismantling of the CPSU. Mr. Hyodo, director general of the Foreign Ministry European-Oceania Affairs Bureau, what is your view?

[Hyodo] I think it is an awesome development. I think it is the most violent, most severe shock since the start of Lenin's revolution. I have been likening Soviet society to the human body, saying figuratively that the CPSU is the skeletal structure and that the KGB is the nervous system. Now, that skeletal structure is about to fall apart with a crash. What will happen to the organization of the KGB, its nervous system, is a question to be seen but its authority is being challenged by the masses. Dzerzhinskiy was a man of power in the shadows, the terrors of whose name were said to still a crying child. Probably every Soviet citizen had a victim of his among acquaintances or relatives. Dzerzhinskiy's statue, the symbol of the KGB, was removed just like that, and Lenin's statue was removed just like that. I think these are extraordinary events. Now President Gorbachev has been promoting perestroyka, but there still existed the framework of socialism. Because of this, there was a big barrier, even if he wanted to carry out economic or other reforms. There has been a sort of ambiguity, I think. Now, that barrier is about to be pulled down. So then, this is going totally in the opposite direction from what the ringleaders of the coup had contemplated. I feel that the trend is shifting towards an East European-type revolution which began in Poland in that hot summer two years ago and led to the fall of the Berlin Wall. [passage omitted on remarks by Morimoto and other participants on views concerning the dismantling of the Communist Party]

[Obama] As you gentlemen say, it is believed that the developments amount to an extraordinary reform. But, on the other hand, it is expected that there will be a considerable resistance to come. What will this be like? As a result of this, do you think the reform, perestroyka, will move ahead in a single stage, or do you think that resistance will grow so strong that the situation will result in civil war? What do you think, Mr. Morimoto? [passage omitted on remarks by Morimoto, Yamauchi and Shimotomai]

[Obama] Go ahead, please, Mr. Hyodo.

[Hyodo] I think that the strong current of history, as the gentlemen here say, will not change. I think this current has begun to flow with a rush. However, will it run as straight as the East European revolution did? With its status, the Soviet Union is a superpower along with the United States. Therefore, I think this process will be very complex, difficult and time-consuming, not only because the Soviet Union is big in size. Although KGB founder Dzerzhinskiy's statue has been removed, the organization of the KGB itself remains intact. The organization of the military also remains intact. I think quite a few among them sympathize with the so-called motives of the coup plotters. Take the military's organization for example. The Soviet Union, along with the United States is a superpower, and the Soviet Armed Forces are an important organization which has strategic nuclear arms under its control. What will happen to them? There are various other questions such as the Baltic issue and the ethnic issue. Above all, the Ukrainian question I think is a really serious issue. The Ukraine, along with the Russian Republic, is one of the big pillars that prop up the Soviet Union. Therefore, the Ukraine's trends are a serious question. So, I think that this current will never be without events. I think that the Soviet Union still has many difficulties in store.

[Obama] Shall we continue? As Mr. Hyodo mentioned, the Ukraine, the second largest republic with a population of 50 million, seeks independence and will ponder this question in a December referendum. I believe its independence will most likely be established through this vote. [passage omitted] What do you think, Mr. Hyodo?

[Hyodo] It is a very difficult question with a variety of aspects. All the maneuverings for independence—by the three Baltic states and Moldova—have different historical backgrounds. As you all know, the three countries were incorporated into the Soviet Union under the secret Molotov-Ribbentrop Pact. The Soviets invaded the three states with their boots on and annexed them with armed force. From these particulars, I think the process for Baltic independence will progress rapidly. It is desirable that they win their independence through smooth negotiations with Moscow. But the Baltic states are somewhat different from the Ukraine. As you know, the Ukraine is a totally different case. Central Asia joined the Soviet Union and consequently benefitted economically. By being in the union it enjoys considerable economic benefits and living standards. Therefore, even though independence is just a word, it has many aspects. [passage omitted]

[Obama] Let us refocus. What will happen to relations between Soviet President Gorbachev and Russian Republic President Yeltsin? As a result of the coup, the power of President Gorbachev has been relatively weakened, while President Yeltsin's power has been bolstered. Let us take the issue of the three Baltic states' independence as an example. Regarding this issue, President Yeltsin issued a presidential decree recognizing the independence of Latvia and Estonia. He has already recognized Lithuania. What will President Gorbachev do about this?

[Hyodo] Although I will steer clear of a personal guess, I would like to note two things. One is that President Gorbachev has been called an outstanding tactician, not a strategist. This means that he was a skillful balancer of reformist and conservative factions. But conservative forces have suddenly taken a fall. The tide is with the reformers. It is impossible to handle the situation with previous methods. As pointed out by others here, the tide has shifted; real power has already shifted to President Yeltsin. If this holds, President Yeltsin will now assume full responsibility for administration. Put simply, the greatest cause of Mr. Gorbachev's unpopularity lies in the fact that there is no bread and meat on Soviet tables. The three-day coup, or the 60-hour drama, as Mr. Morimoto called it, has brought no changes at all to the issue of no bread or meat on the table. If President Yeltsin seizes power and replaces President Gorbachev, he will be responsible for this. In this sense, he will make himself vulnerable by assuming responsibilities and risks for various things.

[Obama] What do you think, Mr. Morimoto? [passage omitted]

[Morimoto] There are three aid categories—emergency aid, intellectual aid [chiteki shien], and official financial aid. Food shortages expected during this winter should be taken up as emergency aid, I think. But it is open to question if this will essentially resolve the question. Technical aid is not necessarily linked to bread and is medium to long-term in nature. Official financial aid varies quite significantly depending on the financial situation of each country. The territories issue is pending in Japan. At the London summit and the Gorbachev-Bush START talks in late July, Mr. Bush publicly raised the issue of Japan's territories. I think that the territories issue, once a bilateral issue, might change qualitatively to a semi-global issue. Now, Japan's burdensharing has become a focal point. Well, this should be addressed by the Foreign Ministry. [laughter]

[Obama] How will you address it, Mr. Hyodo?

[Hyodo] In addressing the question of aid to the Soviet Union in the midst of these dramatic developments, I think Japan of course needs to take new factors into full consideration. I would like to note this here; it applies to the coup as well. All countries say things about their own problems and take relations with the Soviet Union into consideration. For instance, Germany's statements on the coup were very cautious from beginning to end. Germany was speaking from the position of a country with nearly 500,000 Soviet troops and their dependents still stationed in the country. Germany's statements were also based on the fact that it has extended 60 billion marks in aid and therefore there should be no change in the Soviet leadership. We have discussed Yeltsin's future tasks. If the question of the three Baltic states should move forward in a positive way... [changes thought] The Northern Territories are a question that goes against law and jusatice. The Soviets intruded in the Northern Territories with their boots on and occupied the islands after the end of the war in the confusion of the moment. It is a remnant of Stalinism. What will President Yeltsin do with them? I am hoping that a positive move will emerge from the basic spirit of the rushing torrents of this revolution. That will also make it possible for Japan to take bold steps in its aid to the Soviet Union. I thus cherish these hopes.

[Obama] We will have to find some other time to discuss Japanese-Soviet relations. The collapse of the CPSU, I believe, will have considerably significant effects on Asia—China and the DPRK, for instance—and even on Japan, in its turn. [passage omitted]

Now, Mr. Hyodo, do you think the Middle East peace talks that relate to the Gulf war will be held as scheduled?

[Hyodo] At the present juncture, the Soviet Union is still undergoing changes. Even the foreign minister has not been named. Therefore, it is very difficult to make a prediction. However, I believe that if the coup had succeeded the talks would have been in jeopardy. But the events have taken this turn. I think that basically there will be no drastic change in Soviet foreign policy. I think the basic line of U.S.-Soviet cooperation will remain unchanged. If this is the case, I think that the line it has taken since the Gulf war will not change too much. [passage omitted]

Company To Aid Mongolian Earth Station

OW0509104391 Tokyo KYODO in English 1010 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Japan's international telecommunications company KDD [Kokusai Denshin Denwa] said Thursday that its subsidiary will help Mongolia build a new earth station that will allow the country to use Intelsat satellite communications.

Company officials said KDD Engineering and Consulting Inc. now has a consulting contract with the Mongolian Government to assist in the design, equipment purchase, construction, and operation of the earth station, which is scheduled to be completed by March of 1993.

Project expenses will be covered by the first part of a 947 million yen government assistance package promised by Prime Minister Toshiki Kaifu during his visit to Mongolia in August, the officials said.

Mongolia already has about 20 international communication circuits linked through Intersputnik which was established by the Soviet Union, East European nations, and China. But phone calls using the circuits are noisy and can take several hours to connect.

When the project is completed, about 80 circuits will be available to transmit phone calls and pictures to Japan and Europe, the officials said.

Final PKO Bill Deliberations Round Started

OW0509053691 Tokyo NHK General Television Network in Japanese 1000 GMT 31 Aug 91

[Text] The government has entered its final round of deliberations on creating an organization for participation in U.N. peacekeeping operations (PKO), with the objective of including the five principles on participating in U.N. peacekeeping forces proposed by the Komeito in the PKO bill.

Secretaries general of the Liberal Democratic Party [LDP], the Komeito, and the Democratic Socialist Party [DSP] held a meeting on the issue of PKO on 29 August in which they exchanged views on the government's proposal to allow the Self-Defense Force [SDF] to participate in peacekeeping forces on the condition that the use of weapons be limited to the protection of life and that the SDF be immediately withdrawn in case an armistice collapses. With regard to the issue of incorporating the so-called five restraining principles proposed by the Komeito—which impose restrictions on the use of weapons and other aspects of PKO—into the PKO bill, the government has entered its final round of deliberations because the prevailing opinion in the government and the LDP takes a positive attitude toward the matter.

Among the five principles, the provision on the use of weapons demands that only the use of small arms be allowed in cases of threat to human life. As to SDF withdrawal in the case of a collapse of an armistice, final adjustments are still to be made due to views in certain quarters that Japan's position might be questioned in the international community if such a provision is literally included in the bill.

On the other hand, with regard to a ceiling on the number of SDF men to be dispatched, the bill will settle on somewhere from 1,500 to 2,000, based on the number of forces sent by other countries to UN peacekeeping forces thus far. As to the DSP demand that Diet approval be required for participation in PKO, adjustments will be made based on the result of future three-party discussions.

Political Funds Donations Record Set in 1990

OW0509111791 Tokyo KYODO in English 1026 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Political funds reported to authorities during 1990 totaled a record high of 184.49 billion yen, an increase of 6.4 percent over the previous year, the Home Affairs Ministry said in a report released Thursday.

The previous record was 173.33 billion yen in 1989.

The increase was attributed to preparations for the general election in February last year and the unified local elections in April this year.

Political funds cover revenues, donations, and borrowings.

Among the six major political parties, the Japanese Communist Party (JCP) again topped the list with a record high of 32.05 billion yen, up 7.3 percent over the previous year.

The ruling Liberal Democratic Party (LDP) was second with a record high of 30.84 billion yen, up 25.3 percent.

The LDP's income included 10.62 billion yen in donations from business corporations. The party borrowed a total of 15 billion yen from nine banks, accounting for 32.4 percent of its 1990 revenue.

Komeito ranked third with 13.49 billion yen, down 9.7 percent from the previous year.

The largest opposition party, the Social Democratic Party (SDP), was fourth with 67.09 billion yen, up 22.4 percent.

They were followed by the Democratic Socialist Party (DSP) with 2.41 billion yen, down 42.9 percent, and the United Social Democratic Party (USDP) with 61 million yen, up 1.8 percent.

The SDP depends mainly on membership fees and sales of publications. Revenues for the JCP and Komeito are mostly from sales of publications, while the DSP depends on donations from business corporations and donations from labor unions.

The LDP's huge borrowings appear to have been used for national and local elections but the real flow of the money was not available from the report to the Home Affairs Ministry.

The SDP borrowed 750 million yen and Komeito was 400 million yen in debt. The DSP had no borrowings in 1990 because of huge debts of 1.32 billion yen in 1989.

A total of 158 corporations and business groups made political donations of more than 30 million yen each in 1990. These totaled 7.3 billion yen, up 7.4 percent over the preceding year.

There were 16 banks among the top 20 donators.

The ministry report also shows that among donators were two scandal-tainted companies—Itoman Corp., an Osaka-based medium- sized trading house, and Japan Aviation Electronics Industry Ltd. (JAE), a leading aerospace equipment manufacturer.

Itoman, which donated 7.7 million yen to an LDP political fund- raising arm, was recently involved in a multibillion yen financial scandal.

JAE, also recently charged with smuggling air-to-air missile parts to Iran in violation of Japan's arms embargo policy, donated 7 million yen to the LDP arm.

Five major LDP intraparty factions collected a total of 7.4 billion yen, up 2.3 billion yen from the previous year.

The faction led by the late former foreign minister Shintaro Abe retained top position, collecting 2.57 billion yen, up 83.8 percent. Former transport minister Hiroshi Mitsuzuka took over leadership of the faction after Abe died in May this year.

Former Finance Minister Michio Watanabe's faction was second with 1.62 billion yen, up 85.3 percent, followed by the faction led by former state minister Toshio Komoto with 1.5 billion yen, up 69.9 percent.

Former Prime Minister Noboru Takeshita's faction collected 944 million yen, down 14.8 percent.

Apart from the Takeshita faction, all LDP factions increased their revenues in 1990.

A total of 130 groups held fund-raising parties in 1990, collecting 2.31 billion yen, down from 1.57 billion yen the previous year.

But the ministry's report shows that the real content of political funds remains "nontransparent" because although there was a total of 32.7 billion yen in donations to individual politicians and intraparty factions in 1990, only 3.5 percent of the donors were identified.

Businessmen Disappointed

OW0509154691 Tokyo KYODO in English 1354 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—A sense of disappointment and deja vu was the initial reaction from the Japanese business community to a government report which revealed that last year's political funds set another record, industry sources said Thursday.

Most business leaders said the only way to put a brake on the increase in political funds is to carry out as soon as possible the planned political reform aimed at overhauling the country's postwar election system.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), sounded disappointed, saying that the report illustrated that "nothing has changed about the reality of Japan's money politics."

The Home Affairs Ministry study showed political funds reported to authorities during last year surged 6.4 percent from a year earlier to a record high of 184.49 billion yen.

The increase was attributed to preparations for the general election in February last year and the unified local elections in April this year.

Masaya Miyoshi, another senior Keidanren official, pointed out that the upsurge also stems from politicians' publicity efforts to erase the sense of distrust in the political world since the Recruit shares-for-favors scandal, which cost the job of the then prime minister Noboru Takeshita and tarnished the names of other politicians.

Miyoshi called for an early implementation of the planned political reform, which aims to revamp the electoral system into one with greater controls on political fund-raising.

The reform centers on the introduction of single-seat constituencies to prevent candidates from the same party having to compete against each other.

The elimination of intraparty competition is expected to shift the focus of campaign debate from personal ties and pork-barrel products to policies, and reduce spending on special favors to woo voters.

Critical words and calls for political reforms from business leaders, however, appeared blunted by their own involvement in the recent financial scandals, the sources said.

The scandals revealed that many major corporations were main beneficiaries of the stock compensation schemes under which brokerages made good the trading losses of selected investors.

A group on political funds, consisting of members of opposition parties, has proposed a ban on corporate donations, which it charged are responsible for Japan's business-oriented politics.

The government report said that business contributions accounted for about 10 billion yen of the record 30.84 billion yen the ruling Liberal Democratic Party (LDP) received last year.

"The recent scandals exposed the unsound relationship between politicians and the business community," it said, adding that the political reform bill, submitted to the current diet session, is still wishy-washy on the issue of political donations by companies.

Takeshita Faction Leader on LDP Election

OW0509060591 Tokyo NHK General Television Network in Japanese 1000 GMT 31 Aug 91

[Text] Today, during a speech at a seminar of the Liberal Democratic Party's [LDP] Takeshita faction held in Kannami-cho, Shizuoka Prefecture, Keiwa Okuda, chief secretary of the faction, indicated that one of the possible options for the LDP presidential election this autumn is an open election to be held under new LDP rules.

During his speech, when discussing the presidential election this October, Okuda said that the LDP revised the rules on popular election of the president in 1989. As a result, the rules have come to reflect not only the opinion of Nagata-cho, but also those of the grass-roots party members in local party units. He stated that he believed that if new vitality can be instilled into politics with these new rules, holding a dignified open election is one option available to the LDP. He thus expressed his view that in the election of the party president, an open election under the new party rules, rather than consultations, is an option.

Okuda also said that if other factions plan to fight in the presidential race by putting up their own candidates, the Takeshita faction might also nominate its own candidate to run in the election.

Caution in Creating Securities Watchdog Urged

OW0509130791 Tokyo KYODO in English 1056 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—No hasty conclusion should be drawn on the proposed establishment of a financial watchdog to prevent a repeat of stock scandals in Japan, the chairman of the Japan Chamber of Commerce and Industry said Thursday.

Rokuro Ishikawa told reporters that while such a watchdog is necessary, consideration is required regarding the kind of body suitable in Japan.

Regarding the proposed amendment of the securities and exchange law to make compensation for market losses illegal, he said "serious trouble could occur" if authorities punished companies which refused to admit receiving compensation from brokerages.

"The securities market would fall into the doldrums," he warned.

The Japan Federation of Economic Organizations (Keidanren) has proposed the establishment of a government watchdog outside the Finance Ministry, while the Japanese Association of Corporate Executives (Keizai Doyukai) has called for the creation of a brokerage group to promote voluntary supervision.

Ishikawa said the major business organizations will eventually coordinate their views regarding the proposed regulatory body.

Former Saitama Bank Official Arrested for Fraud

OW0509035691 Tokyo KYODO in English 0332 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Public prosecutors arrested a senior official of the former Saitama Bank on Thursday on suspicion that he issued forged bank documents.

Saitama Bank merged with Kyowa Bank to become Kyowa Saitama Bank on April 1 this year.

The prosecutors allege that Kazuo Toyama, former deputy manager at the Tokyo office of the Urawa-based commercial bank, issued forged bank records early this year to allow the owner of a Tokyo-based car sales company to borrow 4 billion yen from two nonbank companies.

A special team of the Tokyo Public Prosecutors' Office searched Toyama's home in Sayama, western Saitama Prefecture, on Thursday morning. Kyowa Saitama Bank fired Toyama and filed a complaint with the prosecutors' office in July.

Economic Growth Foreseen Despite CO2 Controls

OW0409164991 Tokyo KYODO in English 1230 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 (KYODO)—High economic growth could be attained even if measures to control carbon dioxide emission are enforced to prevent global warming, a private Japanese research institute said Wednesday.

The Global Industrial and Social Progress Research Institute thus challenged generally accepted concern that such measures would depress global economic growth.

The institute said a computer-aided projection showed that high economic growth is possible in the year 2000 even if the amount of CO2 emission is held at the 1990 level.

The projection was based on the assumption that advanced nations coordinate in taking two steps to control the amount of CO2 released in the atmosphere.

The measures are:

—introduction of a 10 percent "carbon tax" and curbs on investment in plant and equipment.

—a 15 percent cut in oil consumption and increased expenditures for research and development for controlling CO2 emission by a uniform 0.2 percent of gross domestic product.

The institute said that if the first measure were enforced, the annual economic growth rate through the 1990s was projected at an average 1.7 percent, lower than an estimated 2.9 percent in case no measures are enforced.

If the second measure were enforced, the institute said economic growth would be higher at 2.98 percent.

If the two measures are combined, the institute said, the average growth rate would be 2.6 percent.

Similar results were obtained on a theory that not only advanced nations but other countries around the world put into force measures to control the CO2 emission, the institute said.

Drop in Corporate Pretax Profits Predicted

OW0509130591 Tokyo KYODO in English 1144 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—Major Japanese corporations in all industries will see a 0.5 percent fall in their pretax profits this fiscal year from the year before, the second annual decrease in a row, the Daiwa Institute of Research said in a report Thursday.

Operating profits were estimated to rise 5.2 percent.

The expected reduction in pretax profits stems largely from slower growth in domestic demand in line with slower spending in plant and equipment and declines in construction orders, as well as sluggish pace of the U.S. economic recovery, it said.

Manufacturing companies are expected to see a 5.4 percent fall in their pretax profits, while nonmanufacturing firms are seen to enjoy a 10.0 percent growth, the report said.

The report was based on a survey of 519 major companies, 379 from the manufacturing sector and 140 from the nonmanfacturing sector.

Investment, Loan Agency Requests 46 Trillion Yen

OW3108135391 Tokyo KYODO in English 1127 GMT 31 Aug 91

[Text] Tokyo, Aug. 31 KYODO—The budget request for government agency investments and lending—the fiscal investment and loan program—for fiscal 1992 rose 25 percent from fiscal 1991 to 45.92 trillion yen, Finance Ministry officials said Saturday.

Overall budget requests, excluding those for fund-management investments in the financial markets, totaled 33.17 trillion yen, up 14 percent, the officials said.

Saturday was the final day for submitting budget requests for fiscal 1992, which beings next April.

The fiscal investment and loan program, separated from the general account budget and known as the "second budget," is financed by such nontax sources as postal savings, public pension funds, and postal life insurance funds.

The money in these funds is used to make loans and invest in government enterprises, such as highway projects.

The program is not a budget but because of its importance as public financing scheme, it is compiled and presented to the Diet at the same time as the general account budget.

The postal savings fund is expected to account for 9.9 trillion yen of the fiscal investment and loan program. The public pension fund will contribute 7.3 trillion yen and the postal life insurance plan 8.28 trillion yen.

The fiscal 1992 outlays for the program are expected to enjoy sharp increases, except expenditures for Housing Loan Corp. and local governments.

The housing corporation's lending is slowing because of soft housing demand and local government generally are in better fiscal health than the central government.

The requests from postal savings, public pension, and postal life insurance funds for investments in the financial markets soared 66 percent to 12.75 trillion yen.

Those funds are building their financial resources to prepare for increased payments as the population and draws down on savings and pensions.

The Finance Ministry intends to strictly control the investments of the funds because of the recent stock scandal, which involves a public pension fund corporation.

Among the other expenses, the requests for the organizations that handle public works projects, such as Japan Highway Public Corp., amounted to 5.19 trillion yen, up 10 percent.

The requested budget for Housing Loan Corp. rose 2 percent to 6.5 trillion yen, while requests for other public financial institutions surged 19 percent to 10.44 trillion yen.

Two government banks—the Export-Import Bank of Japan and the Japan Development Bank—are expected to get large increases as their roles are assuming increasing importance.

The Development Bank is expected to do more lending because commercial banks are increasingly cautious about lending in the face of tighter international requirements on the equity-to-asset ratio.

The bank's request for fiscal 1992 ballooned 58 percent to 1,996 billion yen.

The Export-Import Bank, whose loans to developing countries are expected to grow sharply, has requested 1.63 trillion yen, up 39 percent from fiscal 1991.

The requests for other public corporations also rose a sharp 33 percent to 6.49 trillion yen due mainly to increases in funds for investing in financial markets.

The request for the money to be allocated to local governments rose 4 percent to 4.55 trillion yen.

North Korea

Report on Political Situation in USSR

SK0509153491 Pyongyang KCNA in English 1506 GMT 5 Sep 91

[Text] Pyongyang September 5 (kcna)—The extraordinary meeting of the Supreme Soviet of the Soviet Union closed on August 31, according to TASS reports.

The meeting adopted a resolution on the domestic situation on August 29.

The resolution called for the revision and amendment of the Constitution and other legislations and suggested that the extraordinary Congress of Soviet People's Deputies should restructure the composition of the Supreme Soviet of the Soviet Union.

The Supreme Soviet also suggested that all republics speed up the signing of a new union treaty and, on this basis, work out and pass electoral laws for the elections of a new union government, including the offices of Soviet president and vice-president, the resolution noted, and continued:

The activities of the Communist Party of the Soviet Union shall be suspended throughout the country on the basis of existing information.

Participants in the extraordinary meeting of the Supreme Soviet of the USSR expressed an indignation at the fact that the right to parliamentary immunity is ignored and members of the CPSU are suppressed.

Valentin Falin, deputy to the Supreme Soviet of the USSR and secretary of the Central Committee of the CPSU at the meeting protested against the search into his house and villa under the "instructions of the deputy attorney-general of the Russian Federation" on August 29, saying that the search was carried out when he had the right to parliamentary immunity.

Valentin Kuptsov, first secretary of the Central Committee of the Communist Party of the Russian Federation, at the meeting demanded in a statement addressed to the deputies to the Supreme Soviet of the USSR that groundless slander, mental and even physical suppression of the honest ordinary Communist Party members should be stopped.

Representatives of the Veterans' Committee, Moldova and Estonia, addressing the meeting recalled the fact that illegal prosecution and arrest of Communist Party members and people's deputies have already started and demanded that the Supreme Soviet put a halt to such undisguised violation of laws.

In the meantime, the delegations of the Russian Federation and Kazakhstan held a working meeting in Alma-Ata on August 30 and released a communique in which they "affirmed the rights of citizens and mutual commitments of the independent republics to the territorial integrity."

On August 31, a meeting of the Uzbek Supreme Soviet adopted a law on the independence of Uzbekistan and an extraordinary meeting of the Kirghiz Supreme Soviet a declaration on the independence of Kirghizia.

Meanwhile, Soviet President Mikhail Gorbachev and Russian Federation President Boris Yeltsin appealed to the Fifth (Emergency) Congress of Soviet People's Deputies to support the so-called "10"1" statement worked out by the Soviet president and the leaders of 10 Soviet republics.

The Soviet president said the critical issue at present was to make clearly immediately what kind of state system the Soviet Union would be.

Otherwise, he added, economic, political, social and ethnic problems could not be solved.

In his speech delivered on the second day of the meeting, Gorbachev hoped congress would adopt a resolution to restore the controllability of the country.

The Russian Federation president proposed in his speech that the 15 republics should have a unified economic area and set up a free union of sovereign states with each republic choosing its own form of participation.

The armed forces of the union should be preserved with a central control over the country's nuclear arsenals, he pointed out.

U.S. Reconnaissance Flights During Aug Reported

SK0509052491 Pyongyang KCNA in English 0431 GMT 5 Sep 91

[Text] Pyongyang September 5 (KCNA)—The U.S. imperialist aggressors committed aerial espionage against strategic targets in the depth of the northern half of Korea, letting U-2 high-altitude strategic reconnaissance plane fly long time from the West Sea to the East Sea along the Military Demarcation Line [MDL] on September 4 and committed aerial espionage 31 times by the same plane in August alone, according to military sources. [sentence as received]

The U.S. imperialists sent E-3A early warning plane from Kadena Base, Okinawa, to the sky above the MDL on three occasions in August to take aerial photographs.

On August 30 they committed reconnaissance acts by EH-60 electronic warfare helicopter, whose flight numbered 9 occasions in one month of August. [sentence as received

The U.S. imperialists concentrically staged photographic and electronic reconnaissance against the front areas of our side with RV-1 and other Army tactical reconnaissance planes in the sky above the MDL.

Their aerial reconnaissance against our side's portion numbered over 230 occasions in one month of August.

U.S. Strategy for 'Armed Interference' Viewed

SK0409134691 Pyongyang Korean Central Broadcasting Network in Korean 0014 GMT 3 Sep 91

[NODONG SINMUN 3 September special article: "The U.S. Imperialist's Regional Strategy for the New Armed Interference and War"]

[Text] The great leader Comrade Kim Il-song has indicated: The imperialists are more openly cherishing ambitions to expand their worldwide domination. As a result, people's sovereign causes are facing a grave challenge.

The U.S. imperialists, taking advantage of the destruction of the balance of power in international relations, continue with their arbitrary imperialism. In addition, they expose their aggressiveness and craftiness.

The U.S. imperialists, seeing the United States as the only superpower, are babbling as if the United States is the only country that can solve the current international dispute.

Recently, U.S. President Bush disclosed a new U.S. strategy in the national security strategic report submitted to the Congress.

He said: The main task of future U.S. strategy is to mediate regional disputes and avoid military conflicts. That is, the United States' basic strategy is to settle regional disputes while avoiding military conflicts.

The U.S. rulers have adopted a new state strategy, with the settlement of regional disputes as its basis. Hidden in their new state strategy is a cunning and sinister plot. The United States' real purpose, seen in deceitful slogans like "The settlement of regional disputes and prevention of military conflicts" is to further interfere in various regional problems around the world and to invade more positively and openly the countries that are not faithful to them.

According to this strategy, the United States, by gaining supremacy over the small and divided countries one at a time—countries that maintain independent positions—plans to build a new world order, with the international community following its lead. In the settlement of regional disputes, the U.S. imperialists' strategy is a doctrine of aggression and interference. It is designed to occupy the areas with resources and in strategic positions and to dominate and destroy the countries that run counter to them.

According to this doctrine, the U.S. imperialists have deployed offensive weapons in many areas in the world. In addition, they have created ethnic disputes as well as disputes among the states, and they have waged armed conflict. Behind the mask of being an intermediary, they have openly interfered in regional problems and carried out their plan to achieve aggressive goals.

The invasion of Panama and the Gulf war are the direct products of the U.S. imperialists' strategy for the settlement of regional disputes and of the implementation of the regional strategy. We will focus on the fact that the U.S. ruling circles, regarding their offensive policy as their basic strategy, will mobilize their military force to carry it out.

U.S. Defense Secretary Cheney, in the Military Forces Assessment Report for fiscal 1991, said: The United States has faced the possibility that a regional conflict may be waged in areas related to the interests of the United States. We should coordinate our policy and Army to rapidly check international crises and disputes.

His remarks echo the U.S. Government's position: The United States should reorganize its military force to mobilize it effectively against countries that it brands as dangerous regional powers. In addition, it is the U.S. Government's position to actively interfere in regional disputes.

President Bush recently said that the United States regards the settlement of regional disputes as its main strategic issue. As a result, he has clearly reaffirmed that the settlement of regional disputes is now the United States' main strategic policy.

According to the new strategy, the United States will continue to intensify its military force on its own territory and overseas, raising it to the level of a more effective mobile strike force. In addition, it is carrying out a criminal plot to occupy militarily any place and any country far away from the United States.

According to foreign papers' reports, the United States is establishing a rapid response force. Its mission and duty are to deal with regional conflicts. This is a new and dangerous step in the U.S. imperialists' aggression and war maneuvers.

This kind of action by the U.S. imperialists is more clearly dangerous when we view it in light of the United States' leading role and responsibility in the world and in light of their remarks on the establishment of the new world order based on a powerful military.

The U.S. imperialists' new strategy manifests their brazen ambition to expand the sphere of their rule worldwide. The U.S. imperialists are directing the spearheads of this new reactionary strategy of armed intervention and war at our country. Since the Persian Gulf war, they have propagandized that the Korean peninsula is the most dangerous region in the world and that they would give the highest priority to preparations for a rapid response to any explosive crisis in this region.

In the U.S. assessment report on its military forces for the current fiscal year, the U.S. military brass has chosen the Korean peninsula as a region in which major regional disputes are most likely. The commander of the U.S. Pacific Fleet has said that the United States would concentrate its forces on major regional crises that threaten U.S. interests in the Asian-Pacific region. This means that the United States would deploy more and more U.S. troops to forward positions on the Korean peninsula, a militarily and strategically important place, and conduct military operations if necessary. This can be proven by the fact that the U.S. ruling class has babbled that it would continuously deploy its troops to forward positions in South Korea, Japan, and Southeast Asia. In reality, the U.S. imperialists have conducted a smear campaign in which they allege that the North poses a direct threat to South Korea's security, babbled about deterring it, and accelerated their preparations to launch a surprise preemptive attack against our Republic.

As a matter of fact, the United States has been rapidly moving toward military confrontation and war on the Korean peninsula, even though it has moved toward detente and arms reduction in other areas. Under the deceptive reduction plan, the U.S. troops in South Korea have been restructured to ensure that they remain able to adapt to an emergency, and their war capability has been further strengthened.

The United States and the South Korean puppets have tried to provide legal and systematic mechanisms, including the Wartime Host Nations Support agreement, which has been signed hastily, to ensure that everything in South Korea can be mobilized and utilized for war and to complete war preparations in Korea. The Korean peninsula is an important operational target of the rapid response forces, which the U.S. imperialists will form. The U.S. ruling class has recently held a war confab in Honolulu, Hawaii, with the South Korean puppets to discuss the issue of launching a surprise nuclear attack against the northern half of the Republic. It is no secret that the United States has even mapped out a 120-day-war plan in which the use of nuclear weapons on the Korean peninsula is a prerequisite and has been trying to find an opportunity to use it. The United States has recklessly found fault with us over the nuclear issue and has taken it upon itself to conduct a campaign to slander the Republic. It has done so to find an excuse to provoke a nuclear war.

Given all the facts, it is clear that the U.S. imperialists are trying to raise the curtain on a new war of armed intervention and aggression in Korea under the pretext of resolving the so-called regional disputes. Our people are keenly watching what the United States does. The U.S. imperialists' policy of pursuing a new war of armed intervention and aggression has met with the Korean people's strong protest and denunciation, as well as the world's peace-loving people.

South's National Security Law Criticized

SK0409103691 Pyongyang KCNA in English
1005 GMT 4 Sep 91

["'National Security Law' Must Be Scrapped Unconditionally"—KCNA headline]

[Text] Pyongyang September 4 (KCNA)—The "National Security Law" (NSL), an anti-democratic, anti-reunification evil law of South Korea, must be scrapped unconditionally, demands NODONG SINMUN in a signed article today which reads in part:

"NSL" totally tramples upon democracy in South Korea, defines the northern half of Korea as an "anti-state organization," as the "enemy" and incriminates contacts, dialogues and any exchange with fellow countrymen of the North.

Under this evil law, even those who long for the North where their fellow countrymen live, or read North's publications are punished, branded as "enemy-benefiting elements," and South Korean people are not allowed even to have contacts and correspondence in a third country, let alone enter the areas of the northern half of the country. It is an anti-national evil law inciting hostility against the fellow countrymen and national confrontation and one of the main barrier secluding the North and the South from each other.

Woman student Yim Su-kyong, the flower of reunification who had visited Pyongyang out of ardent desire for reunification, the Rev. Mun Ik-hwan and his companion and the three delegates of the South side who had a contact with the North's delegates at the Berlin tripartite working-level talks, fell victim to this evil law and are now suffering in prison.

Peaceful reunification based on great national unity cannot be expected under the "NSL" which defines the fellow countrymen in the northern half of the country as the "enemy" and punishes all those who call for dialogue with the North, for reunification through alliance with commnism and the North.

The South Korean people will surely get such anti-democratic, anti-reunification evil laws as "NSL" abolished through their struggle in unity.

South Minister's Reunification Remarks Deplored

SK0109091591 Pyongyang KCNA in English
0830 GMT 1 Sep 91

["Intolerable Challenge To Ardent Desire of Fellow Countrymen for Reunification"—KCNA headline]

[Text] Pyongyang September 1 (KCNA)—The South Korean puppet Defence Minister appeared at the "Defence Academy" on August 29 and prattled that the inter-Korean "confrontation structure" would continue till 1995 and reunification might be "possible after the year 2000".

MINJU CHOSON today says this is, in the final analysis, a refusal of reunification and a declaration to continue the confrontation with the North. The news analyst says:

His blast is underlain by the hideous intention of the No Tae-u group to realise the wild design of "unification by prevailing over communism" through the buildup of "strength".

When our nation has risen up as one in the reunification movement with the determination to make 1995 the year of reunification, the puppets' arbitrary outburst against reunification is a criminal act of throwing a wet blanket over the aspiration and desire of the entire fellow countrymen for reunification.

Facing an exreme political crisis owing to the rapidly mounting anti-U.S. independence movement for reunification among the South Korean people, the puppets, madly brandishing the fascist sword against the pro-reunification democratic forces, are circulating the concept of "unification after the year 2000" to justify the continued presence of the U.S. imperialist aggression troops, make it fait accompli that the reunification of the country is a distant thing, dampen the desire of the people for reunification and whip up confrontation and thus prolong their remaining days. But this is a foolish attempt.

The puppets must not mock the people with the question of reunification.

Comment on South's Nuclear Inspection Position

SK0109094991 Pyongyang KCNA in English 0844 GMT 1 Sep 91

["Answer Off the Point"—KCNA headline]

[Text] Pyongyang September 1 (KCNA)—South Korean "foreign minister" on August 28 said his authorities decided to make "diplomatic efforts" to force the North to sign the Nuclear Safeguards Accord and place its nuclear facilities under international inspection.

Commenting on this, a MINJU CHOSON analyst today says:

He meant to impose unilateral nuclear inspection upon the North which has no nuclear weapons, while shelving the question of the withdrawal of the U.S. nuclear weapons deployed in South Korea. This is, indeed, an argument of a highway robber.

The point is that he made such remarks shortly after we urged the South Korean auhorities to come to the negotiating table for the denuclearisation of the Korean peninsula.

Our Foreign Ministry spokesman in his statement August 26 urged the United States and the South Korean authorities to come out to negotiation at an early date for the denuclearisation of the Korean peninsula. Therefore, the South Korean "foreign minister" in his utterances two days after should have answered this. But, throwing this question to the winds, he did not utter a word about the negotiation, but let out a string of trash about "signing of the nuclear safeguards accord" and "international inspection." This is an impudent act deplorably lacking common sense.

It is known to everyone that working negotiation for the signing of this accord took place between us and the International Atomic Energy Agency in July and the text of the agreement was finalised and it would be submitted to the September Council of the agency. Why do the South Korean authorities obstrusively drivel about "diplomatic efforts" and the like by bringing forward the question which is being resolved by our sincere efforts? This is a shameless petty trick to flee from the pressure at home and abroad for the withdrawal of the nuclear weapons of the United States deployed in South Korea by misleading public opinion. This, however, revealed their despicable color as a guard of the U.S. nuclear weapons.

The South Korean authorities must respond without delay to the negotiation on the denuclearisation of the Korean peninsula, giving up the petty trick.

Chondaehyop Delegates Attend Meeting in Wonsan

SK3108120091 Pyongyang Korean Central Broadcasting Network in Korean 0800 GMT 31 Aug 91

[Excerpts] On the occasions of the joint peace month of the North, South, and overseas students for the denuclearization of the Korean peninsula and the adoption of the nonaggression declaration, a meeting of orations and poem readings on the subject of antiwar and antinuclear struggle for peaceful reunification was held by the students of Wonsan Agricultural College at this college on 30 August. At the meeting site were slogans and propaganda paintings reading, "We sternly denounce the U.S. imperialists' nuclear war provocation maneuvers," "Korea is one," "Let us bequeath a reunified fatherland to our coming generations," and "The main force of fatherland reunification is the Korean nation."

Present at the meeting were Kil Hak-kyun, chairman of the Kangwon Provincial League of Socialist Working Youth of Korea [LSWYK] committee, the dean of the college, the functionaries of the student committee, and the students of the college. Also present at the meeting were Pak Song-hui and Song Yong-sung, the delegates of the National Council of University Student Representatives [Chondaehyop].

Before the beginning of the meeting, Kim Sung-chol, chairman of the Wonsan Agricultural College Student Committee, spoke. [passage omitted]

Next Chondaehyop delegate Pak Song-hui came to the rostrum. [applause]

[Begin Pak Song-hui recording] I am Pak Song-hui of Chondaehyop. [applause] On the occasion of the joint peace month of the North, South, and overseas students for the denuclearization of the Korean peninsula and the adoption of a nonaggression declaration, I am now going to read a poem entitled "The Fatherland Is One," in consideration of the 1 million students of Chondaehyop who must be waging a struggle at this very moment at various places in the streets under the banner of the antiwar, antinuclear, and anti-U.S. struggle. [applause] [passage omitted] [end recording]

South's Intention To Reunify Questioned

SK0209061991 Pyongyang KCNA in English 0540 GMT 2 Sep 91

["Anti-Reunification Jargon of Puppets"—KCNA headline]

[Text] Pyongyang September 2 (KCNA)—South Korean puppet Defence Minister Yi Chong-ku, in his "special lecture on security process" at an academy on August 29, mumbled that the "South-North confrontational structure would continue" in the future and reunification would be "possible after the year 2000."

Commenting on this jargon, NODONG SINMUN today says:

This reveals of its own accord that the No Tae-u ruling group has no intention to achieve reunification, and it is a de facto declaration against reunification.

This balderdash of the puppet about "possibility of reunification after the year 2000" at a time when the whole nation wants reunification in the '90s and, concretely speaking, has turned out as one to make 1995 the first year of reunification, is an extremely heinous and brazen challenge to all the fellow countrymen and an unpardonable criminal act.

What must not be overlooked is the fact that the puppets revealed their intention to continue to follow the policy of confrontation, driveling about the continuation of the "confrontational structure."

In actuality, the puppets are putting spurs on their continued arms buildup and war exercises.

On the very day following his anti-reunification lecture Yi Chong-ku signed with his U.S. imperialist master a "memorandum" stipulating the "introduction of fighter planes of next generation" from the United States. It was he who openly revealed the scheme for war against the North threatening a "surprise attack" and hinting the "possibility of the use of force" against the northern half of the country.

His outburst tells that there had been and there is no change at all in the puppets' separatist intention and ambition for "reunification by prevailing over communism."

Their intention to conquer the North is a daydream which will never come true.

Removal of North-South 'Confrontation' Urged

SK3108060791 Pyongyang KCNA in English 0501 GMT 31 Aug 91

["Removal of Political and Military Confrontation Is Preferential Task for Peaceful Reunification"—KCNA headline]

[Text] Pyongyang August 31 (KCNA)—NODONG SINMUN today stresses that the key to a new breakthrough for national reunification in today's prevailing situation lies in easing the acute political confrontation and military tensions at an early date and creating an atmosphere of true trust within the nation.

In a by-lined article headlined "Removal of Political and Military Confrontation Is Preferential Task for Peaceful Reunification" the paper says:

Without the solution of the pressing fundamental question of removing the political and military confrontation, neither tensions and distrust between the North and the South can be removed nor an atmosphere of trust be created nor all the questions be solved successfully on the basis of mutual trust.

For the removal of political and military tensions on the Korean peninsula it is imperative, first of all, to abolish the "national security law" and other legal and institutional mechanisms which obstruct unity and reunification of the nation in South Korea and release all the personages who have been arrested for their struggle for reunification and adopt a nonaggression declaration between the North and the South.

But if the South Korean authorities say the nonaggression declaration is a sheet of paper and they cannot trust us, even before it is adopted, there will be nothing on which an agreement can be reached between the North and the South and the talks themselves will be meaningless.

If the South Korean authorities are concerned over the destiny of the nation a little, they should respond to the proposal to adopt the nonaggression declaration without delay and without hesitation as demanded by the entire fellow countrymen, not delaying the adoption of the nonaggression declaration by bringing forward nonsensical pretexts.

If peace is to be practically guaranteed in Korea, the United States should accept the DPRK Government's proposal to replace the Korean armistice agreement by a peace agreement and come out to DPRK-U.S. negotiating table and withdraw its troops and nuclear weapons from South Korea as soon as possible.

If the United States has the least interest in removing the nuclear danger from Northeast Asia, it must open to the public its nuclear bases and nuclear weapons in South Korea and allow an international inspection of them, not trying to force "nuclear inspection" only upon the North which has neither intention nor capacity to make nuclear weapons.

The South Korean authorities must not keep the U.S. troops in South Korea for an indefinite period and leave their destiny to them but take a stance of getting the U.S. troops and nuclear weapons withdrawn and shaping the destiny of the nation independently by united efforts of the fellow countrymen.

If a durable peace is to be ensured on the Korean peninsula, it is necessary to have the U.S. troops and nuclear weapons taken out of South Korea and, at the same time, drastically reduce the armed forces of the North and the South.

When all these questions are settled satisfactorily, a durable peace will be guaranteed in Korea and a phase decisively favourable for the independent and peaceful reunification of the country be opened.

South's Decision on Police Carrying Arms Viewed

SK3108101291 Pyongyang KCNA in English 0959 GMT 31 Aug 91

["NODONG SINMUN Denounces South Korean Puppet Clique for Letting Police Carry Arms"—KCNA headline]

[Text] Pyongyang August 31 (KCNA)—Commenting on the decision of the No Tae-u ruling quarters to let the patrol police carry arms, NODONG SINMUN today brands this as another suppressive step to most brutally crack down on the people who aspire to independence, democracy and reunification on the pretext of preventing "crimes".

The news analyst says:

This decision of the No Tae-u group hell bent on the suppression of the people is a clear proof of its ever-worsening lot and its desperate efforts to find a way out of it.

These days the movement for independence, democracy and reunification is rapidly mounting among the South Korean people and their anti-U.S. sentiments for reunification and independence are growing after the second pan-national rally.

It is not accidental that the South Korean authorities are resorting to "scorched-earth operation" against the pro-reunification patriotic figures and progressive democratic organisations, getting hysteric in the suppression of the people after the August 15 pan-national rally.

If the No Tae-u ruling group continues to resort to the reckless bayonet rule while challenging the aspiration and demand of the people, it will face a stern judgement by the people as the heinous enemy of independence, democracy and reunification.

International Journalist Training Course Opens

SK0209110691 Pyongyang KCNA in English 1013 GMT 2 Sep 91

[Text] Pyongyang September 2 (KCNA)—The international training course for journalists was opened with a due ceremony at the People's Palace of Culture in Pyongyang today.

Choe Yong-sam, first vice-chairman of the Central Committee of the Korean Journalists Union, made a congratulatory speech at the ceremony.

He said that the current training course is intended to contribute to the development of mass communication of ifferent countries, the developing countries in particular, through the exchange of research successes and practical experiences of journalists of various countries in media communication in keeping with the present international situation and the trend of the development of modern media.

The progressive mass media, he said, cannot play its proper role owing to the arbitrariness of the imperialist information monopolies which are clinging to the old international information order.

If the old international information order is to be destroyed and a new order be established, it is necessary for the developing and other countries to further complete the material and technical equipment of media to suit the trend of the development of modern media and continue to enhance the level of the chief editors and journalists directly responsible for media.

Media workers and journalists of the Democratic People's Republic of Korea, declared Hyon Yon-kuk, regard it as their noblest duty to develop friendship and cooperation with journalists and men of the press of different countries in accordance with the idea of our Republic's foreign policy of independence, peace and friendship and are making strenuous efforts to realize it.

Speeches were made by Fanhad Zaidi, chairman of the National Newspapers Association of Pakistan and editor-in-chief of the paper THE MUSLIM, Hamisi Daudi Mkwinda, features editor of UHURU and MZALENDO, organ papers of the Revolutionary Party of Tanzania, and Francisco Augusto Martins, journalist of the Portuguese paper NOTICIAS DA AMADORA.

Noting that the international training course in Korea is of weighty significance, the speakers said that the training course will greatly contribute to strengthening friendship and cooperation among progressive journalists of the world.

Kim Yong-nam Meets Burkinabe Foreign Minister

SK0209054191 Pyongyang KCNA in English 0523 GMT 2 Sep 91

[Text] Pyongyang September 2 (KCNA)—Talks between Vice-Premier and Foreign Minister Kim Yong-nam who is heading a DPRK Government delegation and Issa Dominic Konate, minister of external relations of Burkina Faso [title as received], were held in Ouagadougou on August 30.

Present at the talks on the Korean side were the members of the delegation and the Korean ambassador to Burkina Faso and on the opposite side were the secretary of state in charge of overseas citizens and the secretary general of the Ministry of External Relations and other officials concerned.

The talks proceeded in a friendly atmosphere.

The minister of external relations hosted a reception for the Korean foreign minister and his party in the evening.

Kim Yong-nam Attends Nonaligned Meeting in Ghana

SK0509052991 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 3 Sep 91

[Text] Our country's government delegation—led by Kim Yong-nam, vice premier and foreign minister—which is to participate in the foreign ministers' meeting of nonaligned countries in Ghana, arrived in Accra on 1 September.

Functionaries of the state preparatory committee of the foreign ministers' meeting of nonaligned countries, our country's ambassador to Ghana, and functionaries of our embassy here were on hand at the airport to welcome the delegation. The head of the delegation held a press conference with reporters at the airport.

On this day too, the delegation ended its visit to Burkina Faso and left Ouagadougou. Burkina Faso's secretary of state in charge of overseas citizens, secretary general of the Ministry of External Relations, and our country's ambassador to this country were on hand at the airport to see off the delegation.

On his way to Ghana, Vice Premier and Foreign Minister Kim Yong-nam stopped at Abidjan and met with Ivory Coast's foreign minister to hold discussions on issues of common interest and on issues concerning strengthening cooperation between the two countries.

Kim Tal-hyon Meets Philippine Delegation

SK0309054091 Pyongyang KCNA in English 0504 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—Vice-Premier Kim Tal-hyon met and had a friendly conversation with a Filipino delegation headed by Teodoro Encarnacion, vice-minister of public works and highways, at the Mansudae Assembly Hall Monday.

Chon Il-chun, vice-minister of external economic affairs, was on hand.

Plan Signed With Cuban Health Ministry

SK0409104491 Pyongyang KCNA in English 1010 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—A 1991-1993 working plan between the DPRK Ministry of Public Health and the Cuban Ministry of Health was signed here today.

Present at the signing ceremony on our side were Vice-Minister of Public Health Choe Chang-sik and other officials concerned and, on the opposite side, the Cuban Government health delegation led by Vice-Minister of Health Jose Baudilio Jardinez Mendez and Cuban Ambassador to Korea Juan Jose Leon Vega.

Scientific-Technological Protocol With PRC

SK3108044791 Pyongyang KCNA in English 0431 GMT 31 Aug 91

[Text] Beijing August 29 (KCNA)—A protocol of the 31st meeting of the intergovernmental scientific-technological cooperation committee of the Democratic People's Republic of Korea and the People's Republic of China was signed here today.

The protocol was signed on the Korean side by Kim Ung-ho, vice-chairman of the State Commission of Science and Technology, and on the Chinese side by Zhu Lilan, vice-minister in charge of the State Science and Technology Commission.

After the signing ceremony Song Jian, state councillor and minister in charge of the Chinese State Science and Technology Commission, met the DPRK Government scientific-technological cooperation delegation.

Developments in Cambodian Situation Viewed

SK0509052291 Pyongyang KCNA in English 0415 GMT 5 Sep 91

["New Stride Forward"—KCNA headline]

[Text] Pyongyang September 5 (KCNA)—NODONG SINMUN today comes out with a signed commentary entitled "New Stride Forward" regarding the second official meeting of the Supreme National Council of Cambodia which was successfully held in Phatthaya, Thailand.

The positive steps taken at the meeting including the decision to slash the armed forces of each faction 70 percent constitute a new progress toward a comprehensive political settlement of the Cambodian issue, the news analyst says, and goes on:

At the meeting a unanimity of views was reached among the members of the Supreme National Council on a series of important matters. This is a result of the flexible and reconciliatory attitude and efforts of every faction of Cambodia, and it reflects the desire and aspirations of the Cambodian people to solve the Cambodian issue at an early date and promote political stability and development of the country.

The peaceful coordination process of the Cambodian issue has entered into a new stage through the meeting.

The positive move in the solution of the Cambodian issue conforms to the people's desire and demand for a peaceful settlement of disputes and to the trend of the times toward detente and peace.

To solve the Cambodian issue on an equitable basis and build Cambodia into a country, independent, neutral and non-aligned, is beneficial to peace and development in this region and the rest of Asia.

We hope the settlement of the Cambodian issue will be further promoted and stability and peace be brought to Cambodia at an early date.

Kim Il-song's On-Spot Guidance in N Hamgyong

SK0409075591 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 2 Sep 91

[Text] From 20-30 August, the great leader of our party and people Comrade Kim Il-song gave on-the-spot guidance in the work of various domains of the people's economy in North Hamgyong Province.

During this period, the great leader Comrade Kim Il-song gave on-the-spot guidance to various units including the Musan mining complex, the Wangjaesan cooperative farm in Onsong County, and the experimental farm of the Kyongsong branch of the Academy of Agricultural Sciences. He also called for departmental consultative meetings.

The great leader Comrade Kim Il-song gave on-the-spot guidance to the Musan mining complex.

While looking over mining districts and the mechanic and power shop and other production sites, the great leader Comrade Kim Il-song expressed deep satisfaction over the fact that due to the deep interest of our party and energetic leadership the Musan mining complex has turned into a leading iron ore production base well appointed with large modern excavating equipment. He also highly praised the remarkable achievements made by the working class of this mine in iron ore production by displaying infinite devotion to the party and revolution, and encouraged and inspired them in their struggle.

The great leader Comrade Kim Il-song warmly met Comrade Yi Tae-myong, secretary of the departmental party committee of the Sixth Ore Transport Corps, who is the first son, and labor hero Comrade Yi Yang-pu, a truck driver of the Sixth Ore Transport Corps, who is the third son of the father-and-three-son drivers of the Cholsan Hill, who have done a lot of work for the prosperity and development of the country after being embraced in the bosom of the socialist fatherland since living in Japan, and highly assessed the patriotic deeds of the father-and-three-son drivers.

The great leader Comrade Kim Il-song has taught that the working class of the Musan mining complex should deeply possess a sense of duty that they are defending the outpost line in developing the country's metal industry and that they must display mass heroism so that innovation can be continuously implemented in iron ore production.

The great leader Comrade Kim Il-song gave on-the-spot guidance to the Hoeryong foodstuff association.

While looking over the production processes of the association including the cigarette production process, the great leader Comrade Kim Il-song gave instructions to produce greater quantities of quality food and luxury goods by keeping production on a high level.

The great leader Comrade Kim Il-song gave on-the-spot guidance to the Wangjaesan cooperative farm in Onsong County.

The great leader Comrade Kim Il-song learned about the growth of agricultural products such as rice plants, corn, and beans, and expressed great satisfaction over the fact that the farmers have brought about rare bumper crops by placing farming on a scientific and technical basis as required by the chuche farming method.

The great leader Comrade Kim Il-song said that a bumper crop on this farm, which is situated in the most northern end of our country, was achieved just as well as the bumper crop of the West Sea breadbasket. He said that this is a great result which practically showed that if farming is done according to the demand of the chuche farming method as presented by our party, then the output of food grain crops can be further enhanced in all regions. He also set forth concrete tasks for increasing in an epochal way agricultural production in the Tuman River basin.

The great leader Comrade Kim Il-song gave on-the-spot guidance to the Ilhyang cooperative farm in Kyongsong County.

After acquainting himself with the good crops that were produced on the seashore farm which is frequently covered by sea fog, the great leader Comrade Kim Il-song gave instructions to carry out good farming to suit the local climate.

The great leader Comrade Kim Il-song gave on-the-spot guidance to the Kyongsong branch experimental farm of the Academy of Agricultural Science. The great leader expressed great satisfaction with the fact that scientists, technicians, and other workers at the experimental farm have registered good success in agricultural science research work by consistently struggling, devoting their wisdom and energies, and upholding the green revolution policy of our party. He set forth tasks which arise before the agricultural science sector which are of important significance in developing agriculture.

After deeply acquainting himself with the economic development status in the province the great leader Comrade Kim Il-song convened departmental meetings and gave a programmatic instruction which would serve as a guideline in developing the national economy of North Hamgyong Province into a new higher stage.

The great leader Comrade Kim Il-song taught about further increasing iron production. Saying that North Hamgyong Province abounds with large-scale iron and steel works of nationwide significance such as the Kim Chaek iron and steel complex and the Songjin steel complex, the great leader Comrade Kim Il-song stressed that the most important task facing the province is to steadily increase iron production.

The great leader Comrade Kim Il-song said that in order to smoothly guarantee the constantly increasing demand for iron and steel materials, it is imperative to thoroughly implement the party's policy on establishing self-reliance in the ferrous metal industry and to display production capability to the maximum by vigorously waging a technological innovation movement and by further planning and coordinating enterprise management work. The great leader comrade said that it is also important for various related enterprises in the province, including the Musan mine complex, to supply necessary raw materials and materials.

The great leader Comrade Kim Il-song set forth tasks to develop the coal industry. Stressing that North Hamgyong Province plays great roles in the coal production of the country, the great leader Comrade Kim Il-song said that geological survey work should be strengthened to secure enough new coal fields, that the mechanization of coal cutting be vigorously promoted, and that coal cutting facilities and materials be supplied in a timely manner.

The great leader Comrade Kim Il-song set forth tasks to increase electric power production. The great leader Comrade Kim Il-song said that to regulate electric power production at a high level in North Hamgyong Province where there are large-scale plants using a large amount of electricity it is very important to supply enough electric power to these plants. Then he stressed that the construction of the Kim Chaek thermal power plant, the Orangchon power plant, and other small and medium power plants should be actively accelerated along with the further increase of the capacity of the existing power plants.

The great leader stressed the need to develop forestry. The great leader Comrade Kim Il-song, saying that as great socialist construction is vigorously accelerated the demand for timber is further increased, stressed that necessary equipment and materials should be sufficiently supplied to rapidly increase timber production and that the struggle to use wood sparingly should be vigorously waged in all sectors.

The great leader Comrade Kim Il-song set forth tasks to develop the chemical industry. The great leader Comrade Kim Il-song stressed that great efforts should be made for an increased production of fertilizers to be sent to rural communities and varieties of chemical products including chemical fibres be produced in larger quantities and sent to light industrial plants.

The great leader Comrade Kim Il-song stressed the need to increase salt production. The great leader Comrade Kim Il-song, saying that increasing salt production is very important in developing the chemical industry and improving the people's living, stressed that to smoothly meet the constantly increasing salt demands it is imperative to increase the production capacities of salterns, to build new salt plants, and to widely produce salt by waste heat at industrial establishments in the east and west coastal areas.

The great leader Comrade Kim Il-song stressed the need to further develop light industry. The great leader Comrade Kim Il-song stressed that to supply more high-quality consumer goods and foodstuffs to the people it is necessary to thoroughly implement the party's policy of revolution in light industry.

The great leader Comrade Kim Il-song stressed the need to increase the production of marine products. Saying that the coast of North Hamgyong Province which has many bays has very favorable conditions for the development of the fisheries industry, the great leader Comrade Kim Il-song stressed that aquaculture should be developed on an extensive scale to produce more aquatic products, including brown seaweed, kelp, and mussels. The great leader comrade also stressed the need to continue catching fish all year round, offshore and deep sea, using various methods, and to supply delicious processed marine products to the people by developing the processing of marine products.

The great leader Comrade Kim Il-song set forth tasks which arise in the agricultual domain. The great leader Comrade Kim Il-song expressed deep satisfaction with the fact that North Hamgyong Province has brought about unusually good crops this year by effectively carpeting fields with humus soil and conducting fruitful scientific agricultural research, and extended thanks, in the name of the Central Committee of the Workers' Party of Korea, the Government of the Republic, and his own behalf, to the North Hamgyong provincial party committee which has registered many successes by strengthening guidance to farming and making vigorous efforts to carry through the party's policy of effecting a green revolution.

The great leader Comrade Kim Il-song said that, emulating and following the model of North Hamgyong Province, all provinces should pay close attention to scientific agricultural research, thoroughly implement the demands of the chuche farm method, and further strengthen farm work guidance. Saying that one of the important factors in the unusually good crops this year is the all- people drive to raise the fertility of soil through soil-carpeting, the great leader Comrade Kim Il-song stressed that continued vigorous efforts should be made to increase the fertility of paddy and nonpaddy fields.

The great leader Comrade Kim Il-song stressed that to improve the fertility of paddy and nonpaddy fields it is necessary to not only ensure soil [words indistinct] and apply [word indistinct] fertilizer, but also to prevent soil from being acidified by applying slaked lime, carbide, and [word indistinct] on all fields. The great leader Comrade Kim Il-song set forth the goal of production of food grain crops that North Hamgyong Province should fulfill within the near future and taught that to successfully carry out this task it is necessary to concentrate great efforts on farm work by firmly grasping our party's farm policy.

The great leader Comrade Kim Il-song taught that North Hamgyong Province should actively encourage the cultivation of industrial crops, including tobacco and medicinal herbs, in conformity with local topographical conditions, along with rice and maize farming.

The great leader Comrade Kim Il-song stressed the need to increase the production of livestock through a movement to raise domestic animals and through the cultivation of various kinds of crops which cocoons are fond of.

Saying that the cherished desire of our people who wanted to live in good dwellings, well fed and well clad, is successfully being brought into reality in the age of the Workers' Party thanks to our party's people-oriented policy and to the might of the rapidly developing independent national economy, the great leader Comrade Kim Il-song taught that all people should wage a vigorous struggle, upholding the party's slogan, "Let us live our own way," and that, thereby, they should accomplish the socialist cause that they have chosen themselves.

All party members and working people in North Hamgyong Province are filled with the firm determination to further glorify the popular masses-centered socialism of our own style by effecting a great new upsurge in all sectors of the national economy through the thorough implementation of the great leader Comrade Kim Il-song's on-the-spot guidance.

Kim Chong-il Letter on Youth Day Lauded

SK0109072091 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 29 Aug 91

[NODONG SINMUN 29 August editorial: "An Immortal Banner That Arouses Youth to the Struggle for the Completion of the Chuche Cause"]

[Text] The dear leader Comrade Kim Chong-il sent a letter—"Young men and women, be the young vanguard unfailingly loyal to the party and the leader"—to the youths and functionaries of the League of Socialist Working Youth of Korea [LSWYK] across the country who were greeting the first Youth Day. This is an event of great significance in the history of the glorious Korean Communist youth movement embroidered with immortal achievements and exploits. Our youth, LSWYK functionaries, and all the people across the country who have received the letter are filled with inexhaustible adoration for the dear Comrade Kim Chong-il. He clearly elucidates the road for the revolutionary youth movement to follow with his brilliant wisdom and extraordinary leadership as he leads the new generation of youths to the rewarding struggle and exploits.

The letter "Young men and women, be the young vanguard unfailingly loyal to the party and the leader" is a programmatic work outlining the way to comprehensively solve the problems of youth at a time when the socialist and communist cause has reached a new and higher stage. The progress of the revolutionary cause is a process of continuous generational changes in the revolutionary ranks. The youths of the new generation who will inherit the revolution must firmly prepare themselves so that the revolutionary cause pioneered by the party and the leader can be resolutely defended, adhered to, and finally completed.

Our youths are living in the most glorious times when the chuche revolutionary cause is brilliantly inherited and completed. A heavy task is entrusted to our youths who live in the era of the Workers' Party: To inherit the shining tradition of the Korean Communist youth movement and to add more luster to the popular mass-oriented socialism of our own style.

The work comprehensively elucidates the mission and duty of the Korean youth movement; the political, ideological, and economic tasks for carrying them out; and the task of building youth organizations, based on his profound analysis of the demands of the development of our revolution which has reached a new higher stage.

The work shares a shining historical position because it sums up the theoretical and practical problems arising in the youth movement and youth work at a new historical time when the revolutionary cause is inherited and completed. The important spirit consistent in the work is to prepare all the youths as a young vanguard endlessly loyal to the party and the leader. This will fortify our youth ranks as firm as a rock and enable them to inherit and complete the chuche revolutionary cause to the end.

The dear leader Comrade Kim Chong-il has noted: All the youths and functionaries of the LSWYK should prepare to be the young vanguard endlessly loyal to the party and the leader so that they can carry out the mission and their duty better as inheritors of the chuche revolutionary cause.

The road traveled by the Korean Communist youth movement was a proud course in which our youths endlessly added luster to the honorable title of the young vanguard. The anti-Japanese revolutionary fighters, the first generation youths of our revolution who upheld the great leader for the first time, created the most brilliant example of loyalty and contributed greatly to pioneering the chuche socialist cause. The second generation youths inherited and developed it excellently.

In order for all our LSWYK members and youths—third and fourth generation youths of the revolution to adhere to and develop the socialist cause—to carry out their mission and duty for the times and the revolution, they must prepare themselves to be ardent revolutionaries and dependable revolutionary guards as the preceding generation of youths did. Clearly set forth in the work are the tasks and methods for our youths to become the young vanguard endlessly loyal to the party and the leader. Because of this, the work becomes immortal for our youths—who must travel tens of thousands of ri following the party—as a firm guideline in their struggle and a textbook in their lives at all times and places. Truly this is a noble ideological and theoretical work. It deepens and develops onto a new higher stage the revolutionary theory of the working class connected with the youth movement. It is a militant banner enabling us to crush any antirevolutionary offensive of the imperialists and to bring forth a new upswing in the youth movement of our times. The publication of this monumental work by the dear Comrade Kim Chong-il is another of his great achievements in our revolution and in the development of the youth movement.

The publication of "Young men and women, be the young vanguard unfailingly loyal to the party and the leader" is of great theoretical and practical significance in our youth's and people's political life and in carrying out our revolutionary cause.

The work clearly expounds, above all, the political and ideological tasks for all youths to become the reliable young vanguard of the party. Thus, the work gives the youths ideological nourishment, enabling them to endlessly glorify their precious political life on the rewarding revolutionary road led by the party and the leader.

Youths are the face of a nation, and the features of a society will greatly depend on the young people's political and moral outlook.

Today the ideological and mental condition of our youths is excellent. In dedicating themselves to the chuche revolutionary cause as a peerless honor worthy of the new generation living in the era of revolution and the era of struggle, they are devotedly struggling for the party, the leader, the fatherland, and the people.

Since our party and our nation have heroic youths who are not contaminated by strange ideological trends and who are struggling confidently and optimistically in the socialist cause, our party is strong and our fatherland is prosperous. The endlessly bright future unfolds before the revolution.

Based on success in ideological indoctrination work for youths, our party directed great strength to preparing all youths politically and ideologically in compliance with the development of reality.

The letter clearly elucidates an ideological and mental outlook which the genuine young vanguard of our era should cherish, and indicates the road for all youths to be the vanguard, who advance by loyally upholding the leadership of the party and the leader under any circumstances, and to be a shock brigade that cherishes the chuche idea as their firm faith and accomplishes the party's lines and policies to the end.

Political and ideological tasks expounded in the work include the task of cherishing loyalty as a revolutionary faith and as a sense of obligation by regarding loyalty to the party and to the leader as a duty. There are also the tasks of deeply studying the great chuche idea and the party's lines and policies—the embodiment of the chuche idea—and of thoroughly reflecting them in work and in life; and the task of arming oneself with lofty class consciousness, with socialist patriotism, and with the collectivist spirit. These and all other tasks serve as a firm guideline for more vigorously carrying out ideological education and discipline among our youths.

When the youths thoroughly implement these tasks, they can fulfill their missions and duties as reliable inheritors of our revolution and can endlessly glorify their precious political life.

This work also enables the youths to enhance their role of vanguard in the practical struggle to glorify socialism of our own style and thus inspires them to vigorously accelerate today's march of the nineties.

Youths are the main force in socialist construction, and the site of great socialist construction is a valuable stage in their activities.

In his work, the dear leader Comrade Kim Chong-il emphasizes that the youths should be the vanguard and shock brigade in socialist economic construction, and they should actively advance to difficult and arduous domains in economic construction to take charge of the main front of production and construction. He puts forward militant tasks for the youths to vigorously wage various mass movements, including the youth shock brigade movement; to sincerely participate in labor; and to actively contribute to the scientific and technological development of the nation.

This is an expression of the party's great trust in and expectations for our youths, who have lofty revolutionary spirit and combat capabilities.

Today nothing is more glorious and more valuable for our youths than to dedicate all of their burning passion to the struggle to accomplish the profound plans put forward by the party.

When all youths, tightly taking hold of the tasks expounded in the work, actively rise in today's great construction struggle to glorify the era of the Worker's Party and create new exploits, the heroic spirit of the Korean youths will be vigorously demonstrated to the world once again.

The work also clearly elucidates the tasks of youths for their struggle to expedite national reunification, the supreme national desire of our people. Today the spirit for national reunification is being unprecedentedly enhanced among all Korean youths in the North, the South, and overseas.

In order for our youths, born in the divided fatherland, to fully play the role of the banner-holder of national reunification, all Korean youths in the North, the South, and overseas should firmly unite under the banner of great national unity. This is very important.

The work elucidates all the tasks for all Korean youths to attain firm unity. These tasks include the need for frequent contacts and visits among the youths at home and abroad; the need to hold a number of joint festivals and joint struggles; and the need to be mutually encouraging, supportive, and helpful on the common front for national reunification.

Precisely for this reason, the work will serve as a programmatic guideline enabling one to achieve the cause of national reunification in the 1990's by resolutely crushing the two Koreas plot of the U.S. imperialists and the South Korean puppet clique.

The work points out the tasks of struggle for our youths to strengthen the militant friendship and unity with progressive youths of many nations by upholding the slogan of anti-imperialism for solidarity, peace, and friendship. Thus, it expounds the programmatic guideline for them to strengthen solidarity with the youth movement of the world.

The work also clearly elucidates the tasks for firmly organizing the LSWYK organizations and for further enhancing their functions and role. Thus, the letter enables one to deepen and develop the work of building chuche-oriented youth organizations into a new and higher stage.

The LSWYK is a mass youth organization that embraces and unifies a broad range of youths from all strata. The role of LSWYK organizations in fostering the youths to be the reliable vanguard, which struggles by dedicating everything to the party, to the leader, to the fatherland, and to the people, is very great.

The letter comprehensively expounds all theoretical and practical issues raised by LSWYK organizations, from the issue of firmly organizing the cadre members of the LSWYK—the core of LSWYK—to the issues of strengthening the LSWYK committees and primary organizations at all levels, of establishing a revolutionary work system within the LSWYK, and of improving the work method and work style of LSWYK functionaries.

Thus, the work enables one to constantly strengthen and develop the LSWYK into the militant rank of reliable inheritors of the chuche revolutionary cause both in name and reality and into a lively political organization overflowing with passion and vigor.

In particular, the policy for thoroughly establishing the revolutionary work system to loyally uphold the party's leadership within the League serves as a precious guideline which enables LSWYK to adhere to and to glorify its revolutionary character generation after generation.

The publication of the letter, "Young men and women, be the young vanguard unfailingly loyal to the party and the leader," is a brilliant fruition of our party's energetic ideological and theoretical activities and leadership which is leading the Korean young communist movement along the single road of victory.

While purely inheriting the brilliant tradition of the chuche-oriented youth movement attained by the great leader in the past, our party makes all efforts to effect an epochal turning point in our country's youth movement and in the works of the LSWYK in compliance with the demand for chuche-orientation of the entire society.

Dear leader Comrade Kim Chong-il advances a number of revolutionary theories and policies which serve as precious assets for the youth movement in our era and brilliantly embodies them. Thus, he makes the ideological and mental outlook and social and political life of our youths take a great turn.

The work truly reflects the great leadership achievements of our party which brilliantly resolved the issue of youth at a time when the revolutionary cause is being inherited and continually accomplished. Therefore, this work will be brilliant as a monumental document of the times.

The reality eloquently shows that when one upholds the great leader who, bearing the total responsibility for all destinies of the youth, leads the youths to the rewarding life and to brilliant feats, the question of youth, which is raised in implementing the socialist and communist cause as an acute problem, is to be brilliantly resolved without the slightest deviation.

Today the youths and LSWYK members face a grave task. They must more firmly prepare themselves to be the young vanguard endlessly loyal to the party and the leader by upholding this document and by vigorously pushing ahead with the revolution and construction.

Party organizations at all levels should see to it that all youths and LSWYK functionaries study this work thoroughly and firmly arm themselves with the ideology, theory, and policy expounded in this work.

The work elucidates all issues to be raised in the organizational and ideological life of our youths and in implementing the revolutionary tasks.

Regarding this document as a precious textbook for endlessly glorifying their political life and as a guideline for disciplining their revolutionary ideology, all youths should study and then study more by striving to understand every word and phrase in the document thoroughly.

The ideologies included in this work, as well as its content, reflect our party's trust and love for our youths. Party organizations should focus on making all youths study this work and deeply understand the greatness of our party, which is leading our nation's youth movement along the single road of victory, as well as the wise nature of its leadership. At the same time, the party organizations should make all youths cherish the pride and sense of honor as the young vanguard who lives and carries out the revolution by upholding the sagacious leader [chidoja].

It is the most important work for all youths and LSWYK organizations today to thoroughly embody the tasks, which are expounded in the work, in the practice of the revolution.

Just like the first generation youths of our revolution who accepted the great leader's revolutionary lines and policies deep in their hearts and struggled through fire and water, all youths should fully display honor as the reliable young vanguard of the WPK in implementing the militant tasks expounded by dear Comrade Kim Chong-il.

Our youths should actively rise in the most difficult and arduous outposts in socialist economic construction and in the enormous struggle to build great monumental creations illuminating the era of the Worker's Party. Thus, every one of them should become a creator of feats and a young hero.

Only when the youth do more works for the party and the leader and fight by dedicating everything to the practical struggle for creation and construction and for the further glorification of socialism of our own style, can young people spend the days of youth, which will not return, in a most worthwhile and valuable way.

All party organizations should actively lead the LSWYK organizations so that they sincerely establish methods and steps to thoroughly embody the tasks elucidated in this document in their units and in their domains and that they continuously and persistently implement our party's policy for youth work.

The work for indoctrinating and fostering youths to be the genuine vanguard of the revolution is a very important work which should be carried out in the interest of all of society.

Party organizations at all levels should properly support the LSWYK works and ensure good conditions and should acquire a habit of actively introducing the youth to society and of supporting their struggle.

By doing so, party organizations should encourage the youths to live and struggle heroically with lofty pride and a sense of honor as the inheritors of the chuche revolutionary cause.

The party's leadership is the lifeline of our youths and LSWYK organizations and is the source of indomitable strength. Without the party's leadership, one cannot think of today's happiness and tomorrow's bright future of our youths, nor can one talk about the might of LSWYK organizations.

All youths and LSWYK organizations should regard the upholding of the party's leadership and ideology as a firm principle for their activities and should unconditionally implement the party's lines and policies. Thus, they should acquire a revolutionary habit of working and moving as one under the monolithic leadership of the party center. Herein lies the basic key to brilliantly implementing the militant tasks put forward in the document.

Today the brighter future and prospects are opened before our youths and people who are vigorously advancing under the leadership of the party.

When all youths and LSWYK functionaries prepare themselves to be the young vanguard endlessly loyal to the party and to the leader by upholding the new militant programs advanced by the party, our revolution will advance more vigorously.

Living, Acting in 'Our Own Way' Stressed

SK0209140391 Pyongyang Korean Central Broadcasting Network in Korean 0006 GMT 2 Sep 91

[NODONG SINMUN 2 September editorial: "Let Us Think and Work According to Demand of the Chuche Idea"]

[Text] The slogan, "Let us live in our own way," put forward by our party, is demonstrating great might and vitality in all domains of social life.

It is an important mission for party organizations, functionaries, party members, and workers to embody the party's slogan continuously and thoroughly. What is important in fulfilling this mission is for all to firmly establish the ideological outlook and way of thinking of our own style.

Dear leader Comrade Kim Chong-il has indicated: In order to live in our own way, party members and workers, who are the masters and in charge of the revolution and construction, should precisely establish their ideological outlook and way of thinking first.

It is a precondition for firmly establishing chuche to establish the ideological outlook and way of thinking of our own style among party members and workers.

Chuche is the life of our revolution and the banner of national prosperity. The mighty method for making all of our functionaries and workers think and act according to their own spirit at any place and at any time and solve all problems raised in the revolution and construction in accordance with the practical situation of our country and with our people's demand is to make them firmly establish the chuche-oriented ideological outlook and way of thinking.

Party organizations and functionaries should give priority to the indoctrination work to make people live in our own way and should strengthen various educational works including the learning of principles.

Today the revolutionary mission and prevailing situation facing us demand that the party members and workers more firmly arm themselves with the chuche idea and think and act in accordance with its demand.

Our revolutionary struggle and construction work are the very struggle to embody the chuche idea. The struggle to reform nature and society in accordance with the demand of the chuche idea has been deepened and the gigantic struggle to consolidate the might of our nation's independent socialist national economy is being waged. Under these circumstances, we should thoroughly establish chuche in the revolution and construction and to do this, all functionaries, party members, and workers should have the chuche-oriented ideological outlook and way of thinking.

Today the imperialists and reactionaries are viciously maneuvering to block the people's advance of the nations which are vigorously marching along the road of socialism in order to erase socialism.

In order for us to more highly display the superiority of popular mass- centered socialism of our own style by repelling the anti-Republic maneuvers of the imperialists, we should firmly prepare functionaries and workers politically and ideologically.

The basic issue in awakening and preparing the people politically and ideologically is to arm them with the chuche idea. When we firmly arm the party members, workers, and new generations with the chuche idea and make them think and act in accordance with its demand, we can smash any antirevolutionary offensive of the enemy and can strengthen the main force of the revolution in every way. Thus, we can firmly defend and glorify our nation's socialist system with the might of this main force.

The party's slogan on living in our own way by upholding the banner of the chuche idea has become the firm faith and will of our party members and workers. Party organizations and functionaries should further strengthen indoctrination of the chuche idea among party members and workers in compliance with our people's aspiration. They should also strenghthen indoctrination with the development of reality so that they live and fight with an ideological outlook and way of thinking of our own style so that a great advance can result in socialist construction.

What is important in making party members and workers have the ideological outlook and way of thinking of our own style is, above all, to make them deeply realize the greatness and truth of the chuche idea.

The ideological outlook and way of thinking of our own style is the very ideological outlook and way of thinking based on the chuche idea. In order for one to believe in the revolutionary ideology and take it as a guideline for thinking and acting, one should realize the greatness of that ideology and should take this ideology as one's faith.

Truth and vitality of the chuche idea as a most scientific and revolutionary ideology have been clearly proven. The chuche idea is the unique revolutionary outlook on the world which the chuche-type communist revolutionaries should have and is an ideological basis for the ideological outlook and way of thinking of our own style.

In order for all party members and workers to make the chuche idea their firm outlook on the world, they should constantly study the chuche idea and deepen this study with purposefulness.

The basis for learning the chuche idea is the learning of principles. Party organizations and party propaganda functionaries should precisely assign the program of study to functionaries, party members, and workers in compliance with the characteristics of the objects of study, and should encourage them to carry out self-study, and conduct the study of principles broadly and in depth based on the texts of the works of the great leader and dear leader Comrade Kim Chong-il.

Party organizations and functionaries, together with the learning of principles, should carry out the ideological indoctrination work among party members and workers to make them realize the greatness and vitality of the chuche idea with fresh materials on the proud reality in which the chuche idea is realized.

By strengthening education on the principle of the chuche idea, we should make all party members and workers continuously and thoroughly embody the chuche idea by cherishing the firm outlook and position that the chuche idea, the sole guiding ideology of our party and our revolution, is the best.

Our party's line and policy, in which the great chuche idea is embodied, are the programmatic guidelines for living in our own way. When the party members and workers firmly arm themselves with our party's line and policy, they can always carry out socialist construction in our own way and can uncompromisingly struggle against various antirevolutionary ideological elements by making a distinction.

Our party advanced a number of unique lines and policies in the course of leading the revolution and construction under the banner of chuche. Today we have the policy for chuche-orientation of the entire society, the three revolutions line, the policy for firmly ensuring the party's leadership over the revolution and construction, the Chongsanri spirit and Chongsanri method, and Taean work system. In addition, great encyclopedic ideological and theoretical assets have been provided.

In the future, too, we should carry out the revolution and construction to the end in our own way and according to the great lines and policies put forward by the party.

What serves as the starting point and as the sole standard of all thinking and acts by our functionaries, party members, and workers is our party's line and policy. The ideological outlook and way of thinking of our own style means the thinking in accordance with our party's line and policy.

All party members and workers should know well our party's line and policy and should regard thinking and acting in accordance with the demand of such a line and policy as their iron rule and as their habit in life.

The party members and workers should live and work with firm determination to absolutely trust our party's line and policy and thoroughly defend and implement them under any condition and circumstance.

They should prevent any idea contrary to our party's line and policy from infiltrating into our inner part. Thus, they should make the entire society overflow only with the chuche idea and with our party's line and policy, which are the embodiment of the chuche idea.

Party organizations and functionaries should vigorously carry out the indoctrination of the party's line and policy so that the party members and workers observe and judge all problems based on their knowledge appreciative of the party's policy, and that they display the outlook of solving the problems in the interest of our revolution.

Making the party members and workers deeply cherish the lofty national pride in and sense of honor for socialism of our own style is also important in encouraging them to have the ideological outlook and way of thinking of our own style. The chuche-oriented ideological outlook and way of thinking can be constantly strengthened when they are based on the pride in their fatherland, in their people, and in their system.

Consciousness and ideological outlook on carrying out the revolution by one's own strength without depending on other people and by treasuring what one has without envying others are linked to the belief in the nation's greatness and in the trust in the justness of one's cause.

All party members and workers should live and carry out the revolution in an honorable manner by cherishing the pride and sense of self-respect in being the independent and indomitable people led by the great leader and great party.

At the same time, they should make efforts to endlessly glorify socialism of our own style by cherishing the sense of honor that this socialism is most superior. Party organizations and functionaries should make party members and workers precisely realize the essential characteristic and superiority of socialism of our own style so that they deeply cherish a conviction in our socialism and ardently love the fatherland and the people. They should also make them realize that they need an ideological outlook and determination to struggle by dedicating everything to the nation's and people's prosperity.

The ideological outlook and way of thinking of our own style is the revolutionary outlook on accomplishing the revolution to the end with our own strength.

The revolutionaries should carry out the revolution with their own spirit and own strength by breaking through all difficulties, although this work is arduous. Herein lies the honor of revolutionaries and the value in their life and struggle.

All functionaries and workers should highly display the outlook of fulfilling the tasks assigned to their units and themselves without fail with their own strength by cherishing the revolutionary spirit of self-reliance and arduous struggle.

Establishing the ideological outlook and way of thinking of our own style among the party members and workers is the work not only for the victorious advance of the revolution but also for the valuable and rewarding life of the people themselves.

By vigorously pushing for this work, we should strengthen chuche in the socialist cause and further demonstrate the vitality of the chuche idea.

Modeling Society on Chuche Idea Advocated

SK3108051291 Pyongyang KCNA in English
0436 GMT 31 Aug 91

["Modelling of Whole Society on Chuche Idea and Complete Victory of Socialism"—KCNA headline]

[Text] Pyongyang August 31 (KCNA)—NODONG SINMUN August 30 runs a by-lined article headlined "Modelling of Whole Society on Chuche Idea and Complete Victory of Socialism".

The article says:

Imbuing the whole of the society with the chuche idea is a noble struggle to fully realise the independence of the popular masses. This is a historical cause of transforming nature, society and man as required by the chuche idea, successfully capturing the ideological and material fortresses of communism and building an ideal society of mankind in which the popular masses are the full-fledged masters of nature, society and themselves.

The dear leader Comrade Kim Chong-il has said:

"An important height which must be hit in the modelling of the whole of society on the chuche idea is to accomplish the complete victory of socialism".

To win the complete victory of socialism is a lawful demand in the building of socialism and communism and a historical task which must be carried out in the period of transition from capitalism to socialism.

The period of transition from capitalism to socialism is a period of historical changes to accomplish socialist society by remoulding man, society and nature in accordance with the aspirations and demand of the working class. Thus, if a communist society the whole of which is patterned after the chuche idea is to be built, it is important to fulfil the historical tasks of the transitional period and achieve the complete victory of socialism without fail.

Our party, representing the matured demand of the developing revolution and the unanimous desire of the popular masses, put forward the slogan of modelling the whole of society on the chuche idea and has waged a powerful struggle for the complete victory of socialism.

A completely victorious socialist society is a perfect socialist society, a working class society, in which the entire people enjoy an independent and creative life as equal masters of the state and society. This is a classless society and a developed society which guarantees all the members of society complete socio-political equality and an affluent material and cultural life.

For the complete victory of socialism, our party firmly maintains it as an important task to remould man and social relations on the pattern of the working class, eliminate class differences and build a classless society.

Socialism, in its original meaning, is a society of the working class. A complete socialist society fully taking on the looks as such is a society in which all the spheres are working-classized, that is, a classless society in which all the people are working- classized and the social relations are transformed on the pattern of the working class. That is why the elimination of classes and the building of a classless society is an important target for the building of socialism and communism.

In order to eliminate the class differences between the working class and the peasantry remaining in the socialist society, it is imperative to convert the cooperative ownership into an all-people property and establish an undivided sway of the all-people property over the means of production.

Our party published the socialist rural theses and has wisely led the work of converting the cooperative ownership into an all-people property by thoroughly implementing it. It has already gained remarkable achievements in this.

The three revolutions must be carried to the end, if the differences between all-people property and cooperative property remaining in the socialist society are to be eliminated and nature, society and man are to be reshaped as required by the chuche idea.

Developing Own Ideological Viewpoint Stressed

SK0209104291 Pyongyang KCNA in English 1005 GMT 2 Sep 91

["NODONG SINMUN Calls For Firmly Establishing Ideological Viewpoint and Way of Thinking of Our Own Style"—KCNA headline]

[Text] Pyongyang September 2 (KCNA)—NODONG SINMUN today in an editorial headlined "Let Us Think and Work as Required by the Chuche Idea" stresses that the party members and other working people should strengthen in every way the driving force in accomplishing the cause of socialism and more fully demonstrate the vitality of the chuche idea by vigorously pushing ahead with the undertaking to adopt ideological viewpoint and way of thinking of our own style.

Continually and thoroughly embodying the slogan "Let us live our own way!" laid down by our party is an important task facing the party organisations and officials, the party members and other working people, the paper emphasizes.

What is important in carrying out the task, it notes, is for everyone to firmly establish ideological viewpoint and way of thinking of our own style in conformity with the demands of the chuche idea.

A powerful way for enabling all our functionaries and working people to think and act according to their will at any time and in any place and solve all the problems of the revolution and construction in accordance with the specific realities of our country and with the requirements of our people is to establish a firm chuche-based ideological viewpoint and way of thinking among them, the paper says, and continues:

The revolutionary tasks before us and the prevailing situation call for more firmly equipping the party members and other working people with the chuche idea and leading them to think and act as required by it.

The imperialists and the reactionaries are now viciously manoeuvring to block the road of the peoples of those countries which are powerfully advancing toward socialism and stifle socialism.

It is imperative, first of all, to prepare functionaries and working people politically and ideologically so as to frustrate the anti-DPRK moves of the imperialists and bring the advantages of Korean-style socialism for the people into fuller play.

When the party members, working people and the younger generation are armed firmly with the chuche idea and think and act according to its demand, it is possible to smash any counterrevolutionary offensive of the enemy, strengthen in every way the driving force of the revolution and, with its power, strictly safeguard the socialist system in our country.

The party organizations and officials should further deepen education in the chuche idea among the party members and working people in accordance with the aspirations of our people and the requirement of the developing reality so that they can live and struggle with our own ideological point of view and way of thinking, thus making a great progress in the socialist construction.

Technical Innovaton Movement Efforts Viewed

*SK0209151091 Pyongyang KCNA in English
1458 GMT 2 Sep 91*

[Text] Pyongyang September 2 (KCNA)—The April 15 technical innovation shock brigades organized at industrial establishments of Korea are conducting a brisk technical innovation movement.

According to data available, the brigades across the country carried into practice some 77,000 technical innovation proposals in the first seven months or more of this year.

This has helped save nearly 2,000 million kwh of electricity, more than 40,000 tons of rolled steel and over 300,000 tons of coal and quantities of raw materials and workforce.

Benefits rendered to the state in this period amount to hundreds of millions of won. The technical innovation shock brigade in the Yongsong General Machine Bureau has successed in the production of special welding rods and has completed preparations for their mass production.

The technical innovation shock brigade at the Taean Heavy Machine Complex has completed the process for mass producing a highly efficient disintegrator, large speed reducer and jaw-type crusher.

It has greatly contributed to the development of bearing industry of the country by developing a new alloy steel intended for special bearings.

The members of the technical innovation shock brigades of the Hungnam Fertilizer Complex and Nampo Smeltery Complex developed and introduced into production a dust coal gas generator kiln and waste heat boiler which can increase productivity while cutting anthracite consumption 50 percent.

The April 15 technical innovation shock brigades organized in 1980 have annually introduced about 100,000 technical innovation proposals and greatly contributed to the chuche-orientation, modernization and scientification of the national economy.

Production of Nagwon Oxygen Plant Factory Viewed

*SK3108102591 Pyongyang KCNA in English
1010 GMT 31 Aug 91*

[Text] Pyongyang August 31 (KCNA)—The Nagwon oxygen plant factory in Korea produced a 18,000 cubic metre oxygen plant.

The extra-large oxygen plant, manufactured by designers and technicians of the factory is a high-speed and automated equipment of high precision to which are applied advanced technologies and successes gained in the course of designing and operation of the 6,000 cubic metre plants produced earlier. It consists of some 700 units of equipment and hundreds of thousands of parts.

A trial operation of its parts was carried out successfully.

KCNA Reviews 31 Aug Pyongyang Press

*SK3108055391 Pyongyang KCNA in English
0451 GMT 31 Aug 91*

[Press review]

[Text] Pyongyang August 31 (KCNA)—Dailies here today carry messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to King Sultan Azlan Shah of Malaysia and President Noor Hassanali of Trinidad and Tobago on the 34th and 29th anniversaries of the independence of their countries.

MINJU CHOSON reports what people of different strata in South Korea say looking up to and following the great leader President Kim Il-song as the lodestar of national reunification.

According to the press, thanks of the Central Committee of the Workers' Party of Korea were conveyed to the three-revolution team members, who had been dispatched to Kangdong County, Pyongyang, and to the Chuwon coal mine in Onsong County, North Hamgyong Province, for their achievements in the improvement of the people's wellbeing.

NODONG SINMUN editorially urges all party members and working people to display the honor of the motherland with devoted labour.

Econews of the press reports that the construction of the Sariwon potassic fertilizer complex is making headway and brisk innovations are being effected in power production.

NODONG SINMUN in a political essay titled "Eternal Vitality" stresses that the man-centred socialism of our own style vigorously pulsating with the eternal vitality, that is, the singlehearted unity of the leader, the party and the masses, is invincible.

Carried in the press is a report that the first-day sitting of the fourth intergovernmental full-dress talks for the normalisation of the DPRK-Japan diplomatic relations could not be held owing to the obstructions of the Japanese side.

A protocol of the 31st meeting of the intergovernmental scientific-technological cooperation committee of the DPRK and China was signed in Beijing, says the press.

The general secretary of the Central Committee of the Communist Party of India (Marxist) met with the Korean ambassador to his country, according to NODONG SINMUN.

Given in the paper is an account of a concert on the theme of anti-war, anti-nuke and anti-U.S. peaceful reunification held at the Pyongyang University of music and dance.

The South Korean news columns of the press include reports that the co-chairman of the "Coalition for National Democratic Movement" (Chonminryon) accused the South Korean authorities of their anti-reunification stand and that cholera is spreading throughout South Korea.

A NODONG SINMUN commentary charges that the No Tae-u rulers' decision to let all the patrol police across South Korea carry arms is a dangerous scheme to suppress patriotic forces.

"Removal of Politico-Military Confrontation Is Preferential Task for Peaceful Reunification" is the title of a NODONG SINMUN article.

The paper conveys wortd public voices praising the people-first socialism of Korean style as an ideal society of mankind.

Papers inform the readers that Comrade Jiang Zemin said the building of socialism with Chinese characteristics is unshakable and President Yang Shangkun visitd Mongolia.

Papers report about the current developments in the Soviet Union.

NODONG SINMUN reports that the spokesman of the Chinese Foreign Ministry criticised a resolution of the U.N. Commission on Human Rights on Tibet, the Cuban paper GRANMA declared that Cuba will safeguard the motherland, revolution and socialism and the Tanzanian president called for collective self-reliance.

Papers observe the 34th anniversary of the indpendence of Malaysia.

NODONG SINMUN introduces Trinidad and Tobago.

In a monthly reviw of the international situation papers say that the desire of the world's revolutionary people for denuclearization and peace cannot be dampened.

KCNA Review of 4 Sep Pyongyang Press

SK0409071991 Pyongyang KCNA in English 0454 GMT 4 Sep 91

[Press review]

[Text] Pyongyang September 4 (KCNA)—NODONG SINMUN today frontpages a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Zine El Abidine Ben Ali, president of the Republic of Tunisia, on his 55th birthday.

It also carries a message of greetings of President Ghulam Ishaq Khan of the Islamic Republic of Pakistan sent to President Kim Il-song on the 43rd founding anniversary of the DPRK.

Immortal classical works of the great leader President Kim Il-song were studied and disseminated in various countries, says the press.

NODONG SINMUN reports that the working people in North Hamgyong Province have turned out to implement the on-the-spot teachings of President Kim Il-song.

Conveyed in the daily are world public voices supporting President Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation".

Works of the dear leader Comrade Kim Chong-il were reported in different countries, it says.

According to the paper, the president of the federation of the associations of professors of the central university of Ecuador stressed that Comrade Kim Chong-il's letter "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader" is a historical work which recorded a brilliant chapter in the history of the development of the youth movement.

MINJU CHOSON carries an article saying that Comrade Kim Chong-il formulated the great revolutionary idea of President Kim Il-song and set it as the highest programme of our party to accomplish the cause of modelling the whole society on the chuche idea.

NODONG SINMUN tells a story about the revolutionary comradeship displayed by guerrillas during the anti-Japanese armed struggle.

Econews of the press includes a report about vigorous maize harvesting on cooperative farms.

"Patriotism Is Noble Ideological Sentiment of an Independent Nation" and "The Power of the Republic Is a Superior Socialist Power With Militancy and Vitality" are the titles of NODONG SINMUN and MINJU CHOSON articles.

NODONG SINMUN comes out with a political essay entitled "High Title". Noting that Comrade Kim Chong-il praised the builders of the capital city of Pyongyang who are accelerating the construction of apartment houses for 50,000 families as makers of the new history of construction, the political essay says this is a high title for the heroes of the era who are standing in the van of the struggle to carry out the party's grand plan for construction.

South Korean news of the press includes reports that the National Teachers' Union set itself a work goal of attaining its legality and promoting exchange with the North, the magazine "KYORYEUI KIL" (the road of fellow countrymen) criticized the deceptive disarmament formula of the United States and South Korean authorities, and the authorities started "Ulji 91" war games.

The U.S. imperialists and the South Korean puppets do not cease from their provocative war games against the North, informs NODONG SINMUN.

It comes out with a commentary hitting at No Tae-u's talk aimed at intensifying suppression of the patriotic forces under the pretext of "war against crimes", and MINJU CHOSON a commentary denouncing the South Korean puppets for staging the "Ulji 91" war exercises against the North.

The press informs the readers that the World Health Organization declared the western parts of South Korea including Seoul as cholera-infected areas.

"The 'National Security Law', an Anti-Reunification Evil Law, Must Be Scrapped Unconditionally" is the title of a NODONG SINMUN article.

Under the headline "Socialism of Korea Will Emerge Ever-Victorious", the paper conveys what foreign friends said about the might of the Korean-style socialism.

Press commentaries denounce the Japanese side for attempting to create the impression that the North side is responsible for the postponement of the North-South high-level talks at the fourth intergovernmental full-dress talks for the normalization of DPRK-Japan diplomatic relations.

NODONG SINMUN reports that eleven units including the Organizational Department of the Central Committee of the Communist Party of China issued a joint notice saying that the whole country and whole army should widely conduct activities to learn from Zhang Peiying, the Chinese PEOPLE'S DAILY called for rejecting bourgeois literalization and adhering to the socialist orientation, and the general secretary of the Central Committee of the Communist Party of Vietnam stressed that Vietnam's option for socialism could not be changed.

Included in the international news of the daily are reports that the Iranian president denounced Western countries which are still hostile to his country, the Ugandan president called upon the whole country to protect forests, the foreign ministers of Cuba and Zimbabwe spoke about the Non-Aligned Movement, the Egyptian foreign minister denounced Israel's annexation of Eastern al-Quds [Jerusalem] and the Panamanian foreign minister rejected talks with the United States over the maintenance of U.S. military bases.

The paper introduces successes in the building of a new society in Egypt, Tanzania, Namibia, Nigeria, Zambia, Angola, Ghana, Tunisia and Madagascar.

It carries articles exposing that the United States is not a "civilized country" but the headquarters of murder and violent crimes and that the U.S. imperialists are trying hard for modernization of destructive weapons.

KCNA Review of 5 Sep Pyongyang Press

SK0509052391 Pyongyang KCNA in English 0419 GMT 5 Sep 91

[Press review]

[Text] Pyongyang September 5 (KCNA)—Dailies here today carry news that the great leader President Kim Il-song's work "Let Us Achieve the Great Unity of Our Nation" was reported by foreign news media.

Foreigners praised President Kim Il-song as the great leader whom mankind revere and follow, says NODONG SINMUN.

MINJU CHOSON carries an article telling that President Kim Il-song has taken warm care of the disabled soldiers so that they may lead an optimistic life, keeping the flower of revolution in full bloom.

The dear leader Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish" was studied and disseminated in foreign countries, according to the press.

NODONG SINMUN reports that South Korean people are looking up to Comrade Kim Chong-il as the sun of guidance.

On the occasion of the day of education, MINJU CHOSON editorially calls for making new progress in the educational work. Dailies introduce achievements in education.

Econews of the press includes a report that the project for introducing large-size equipment in the Hungam fertilizer complex and modernizing it is being stepped up.

NODONG SINMUN devotes nearly one whole page to a signed article entitled "Invincible Are Our Revolutionary Ranks Advancing in Firm Unity Based on Revolutionary Comradeship".

"The Driving Force of National Reunification Is the Whole of the Korean Nation" is the title of a MINJU CHOSON article.

Papers observe the day of city management.

NODONG SINMUN reports that a meeting was held to mark the 20th founding anniversary of Karimchon University, a spokesman of the Communist Party of Austria met a delegation of the Workers' Party of Korea and foreign diplomatic envoys visited the Mt. Paektu secret camp.

A 1991-1993 working plan between the DPRK Ministry of Public Health and the Cuban Ministry of Health was signed, says the press.

NODONG SINMUN informs the readers that political and public circles of different countries fully supported the denuclearization of the Korean peninsula.

It comes out with an article on the aspirations of the South Korean students and people for independent reunification which have become an irresistible trend.

South Korean news of the press includes reports that South Korean students demanded a social step for true education and cholera is spreading all over South Korea.

NODONG SINMUN carries an article on a struggle for power within the "Democratic Liberal Party" with the approach of the "presidential elections" to be held in South Korea next year.

Given in the press is news that a spokesman for the Students Committee of Kim Il-song University answered the questions put by a KCNA reporter regarding the fact that the Student Council of the national language course of Konguk University of South Korea proposed independent cooperation and exchange to the Korean Language Department of the university.

Papers report that the U.S. imperialists and the South Korean puppets staged provocative ground, aerial and naval attack exercises.

Foreigners praised the advantages of our unique socialist system, says the press.

NODONG SINMUN reports that head of the delegation of the Netherlands-Korea Information Society said the Mt. Paektu secret camp is the holy land of revolution.

Papers inform the readers that Comrade Jiang Zemin stressed China would adhere to the road of socialist construction with its characteristics, celebrations were held and political books published in Vietnam on the occasion of the August revolution and the 46th anniversary of the national day, a final declaration on the question of Palestine was adopted at a U.N. meeting of non- governmental organizations and the Aichi Prefectural people's council for the promotion of normalization of Japan-DPRK diplomatic relations was inaugurated.

NODONG SINMUN reports that the Zimbabwean president supported Cuba and the U.S. imperialists launched another test missile. The paper carries a commentary on the successful holding of the second official meeting of the Supreme National Council of Cambodia. The "new military strategy" of the U.S. imperialists gives an opportunity and possibility for a windfall to munition monopolies.

South Korea

Editorial Views No's Trip to U.S., Mexico

SK0109013791 Seoul THE KOREA HERALD in English 1 Sep 91 p 4

[Editorial: "No's North American Trip"]

[Text] The upcoming journey of President No Tae-u to North America comes at a most important period of contemporary history rocked by big changes in and around the Korean Peninsula and the world at large.

His address at the United Nations General Assembly scheduled for Sept. 24 will mark the formal entry of South Korea into the cardinal international organization that stands for the common interest and objectives of all nations in pursuit of the security and well-being of humanity.

The occasion gives him the first opportunity to speak to the world forum as head of state of a U.N. member nation since both South and North Korea are supposed to be voted into membership a week earlier.

Although Seoul is to be given its due place belatedly, its admission carries a propitious note in that it will be accompanied by the simultaneous joining of North Korea in the United Nations, inducing the perverse and isolationist Pyongyang into the mainstream of legitimate international politics.

The planned presence of main opposition leader Kim Tae-chung and the ruling party's executive chairman Kim Yong-sam at the U.N. session will be a heartening display of the maturity of Korean politics featuring a bipartisan approach to such major foreign policy concerns. This will lend greater weight to President No's exposition of Seoul's stand on national and global issues. His talks with U.S. President George Bush will be an occasion of reaffirming the traditional Seoul-Washington ties to pursue common causes in the shaping of a post-Cold War order.

No's subsequent meeting with Mexican President Carlos Salinas in Mexico City will be another milestone since it is the first visit of a Korean Chief Executive to any Latin American country. Closer links with the leading power in the region is hoped to initiate this nation into broader and cooperative relations with emerging Latin America which boasts immense resources and potential.

Cultivation of solid and rightful involvement in the work of the United Nations and active partnership with Mexico and its neighbors in the Western Hemisphere is part and parcel of our diversifying international relations which have lately been rather preoccupied with Nordpolitik regarding the Soviet Union and other former East bloc countries. Our continued endeavor should further improve on the fruit of an open-door policy and positive international participation.

Hyundai Signs Contract With U.S.'s Goodyear

SK0509041491 Seoul YONHAP in English 0221 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (YONHAP)—Hyundai Petrochemical Co. has signed a contract with Goodyear Co., the largest tire firm in the United States, to introduce the technology to make synthetic rubber, industry officials said Thursday.

Hyundai plans to turn out 80,000 tons of synthetic rubber a year, including 30,000 tons of styrenebutadienne rubber, 30,000 tons of butadienne rubber and 20,000 tons of other rubber.

Company officials declined to say when production would start, citing unpredictable business conditions.

Hyundai is expected to get butadienne, a key ingredient in butadienne rubber, from its own naphtha-cracker in Taesan, South Chungchong Province.

Part of the production will be sold to Goodyear, and part to Korean companies.

Hyundai's advance into the rubber business appears to be tied to the needs of Hyundai Motors Co., Korea's largest automaker.

Business analysts fear oversupply as demand fell 3 percent in January-June from the same period last year and output rose 0.7 percent. Stockpiles of styrenebutadienne rubber and butadienne rubber more than doubled in the first half.

The excess is likely to grow as Yukong will start annual production of 20,000 tons of ethylenepropylene by the end of the year and Daelim will set up a butadienne production plant with an annual capacity of 86,000 tons by the end of 1992.

U.S. Officials on DPRK Nuclear Development

SK0409234791 Seoul YONHAP in English 1011 GMT 3 Sep 91

[Text] Seoul, Sept. 3 (OANA-YONHAP)—U.S. intelligence officials revealed Tuesday in a first ever formal, direct briefing to South Korea that North Korea is developing nuclear weapons and will be equipped with nuclear arsenal within the next few years.

The United States, who until now stopped at delivering information collected by other allies such as France on Pyongyang's nuclear capabilities, said 65 percent of North Korea's soldiers and armaments are deployed near the Demilitarized Zone.

The North Korean military strategy has now turned toward an offensive posture unlike the defensive position 10 years ago, a U.S. official was quoted as saying.

The briefing took place at the Defense Ministry here by 12 American officials including those from the Central Intelligence Agency.

South Korea and the United States confirmed that North Korea is developing nuclear weapons and that they must concentrate on joint efforts to resist Pyongyang's nuclear buildup, ministry officials said after the briefing.

The two sides agreed that Pyongyang's nuclear arsenal will instigate nuclear proliferation in Northeast Asia and arms competition to gravely affect regional and international stability, the officials said.

The briefing was arranged at U.S. request and was heard by 43 South Korean Government officials.

This is the first time that the two sides went on record to formally discuss and confirm North Korea's nuclear issue.

There have been reports that North Korea is secretly building nuclear arsenal and is equipped with reprocessing facilities. The reports claimed North Korea will be able to produce enough plutonium by 1993 to make one atomic bomb and dramatically increase its production capacity by 1994.

The United States is maintaining its policy of neither confirming nor denying presence of American nuclear weapons in South Korea.

North Korea's signing and full implementation of the nuclear safeguards accord are foremost condition set by Japan and the United States to improving relations with the communist country.

Pyongyang joined the nuclear non-proliferation treaty in December 1985 but is yet to sign the safeguards accord. It said it will sign the full-scope safeguards agreement when the International Atomic Energy Agency [IAEA] Board of Governors meets next week.

The meeting opens at the IAEA Headquarters in Vienna on Sept. 11.

DPRK's New Civil Law on Private Ownership

SK0509093691 Seoul KBS-1 Radio Network in Korean 0600 GMT 5 Sep 91

[Text] During the second session of last April's Ninth Supreme People's Assembly, North Korea revised its civil law allowing partial private ownership. According to the National Unification Board's analysis, North Korea's civil law is characterized by its partial acceptance of the concept of private ownership, which is not recognized under socialism. North Korea's civil law says that the state, cooperative organizations, and individuals can own property. The law describes private ownership as ownership of expendable commodities.

In addition, the law limits the extent of private ownership: The law stipulates that socialist distribution as a result of labor; products from individual side jobs, including products from kitchen gardens, and property bought by individuals can be owned privately. The law also stipulates that the state owns all kinds of property, that only the state can own means of production and other important properties, and that individuals and collective organizations cannot own them.

Possible North Economic Changes Viewed

SK0209091691 Seoul CHOSON ILBO in Korean 1 Aug 91 p 5

[Article by Kang Hung-ku, researcher at the Institute for the Study of Foreign Economic Policies, in the "Comment on the Current Events" column: "North Korean Plan for Development"]

[Text]**Change in Policy To Suit Export-Oriented Policy**

North Korea is now concentrating all its efforts on an early normalization of diplomatic relations with Japan. Although the two countries have held several rounds of talks on the establishment of diplomatic relations, their political differences have repeatedly halted their bilateral talks. Nevertheless, thanks to a series of measures taken by North Korea, such as its agreement on signing the Nuclear Safeguards Accord and its decision to seek UN membership and reopen South-North high-level talks, coupled with the waning of the hard-line, conservative forces and the signs of accelerated perestroyka and glasnost in the Soviet Union, North Korean-Japanese talks over the normalization of diplomatic relations are likely to make rapid progress.

The North Korean-Japanese talks over the establishment of diplomatic relations can make rapid progress because North Korea sees in it the possibility not only of cracking the shell of international isolation it has built around itself soon, but also of overcoming accumulated economic difficulties through economic cooperation with Japan involving a large amount of money. Japan also aims at liquidating the colonial era and increasing its political and economic influence in Northeast Asia.

Now, on the assumption that it will be getting economic cooperation from Japan, North Korea has recently set in motion a plan for export-oriented development by changing the basic lines of economic policy. In this context, North Korea recognizes the importance of Japan and Northeast Asia. North Korea seeks to repair or build new railroads and port facilities with capital and technological cooperation from Japan, nurture export-oriented industries by replacing the old facilities with modern ones, and earn hard currency needed to overcome economic difficulties. North Korea counts on the Northeast Asian countries to serve as a major market for its export goods.

It is against this background that North Korea seeks to build an economic trade zone, a sort of special economic zone, in the North Hamgyong Province area south of the Tuman River estuary. North Korea aims to build a large industrial complex there and, at the same time, repair and build new networks of railroads and roads linking them to China and the Soviet Union, and create a huge "intermediate trade base" by expanding such ports up in the north of the East Sea such as Chongjin, Najin, and Sonbong, also known as Unggi.

As investment for such a plan, North Korea urgently needs cooperation from Japan to modernize the railroads and ports. Not only has North Korea asked for technological cooperation from Japan for the modernization of railroads, but it also expects financial and technological cooperation from the countries in the East Sea, including Japan, for the modernization of its ports. Hoping that Japanese business firms would buy back the goods produced by joint ventures set up with Japanese investment or arrange for them to be exported to third countries, North Korea has made "a list of export goods it hopes to produce and goods which it needs Japanese cooperation in order to produce," and has made it known to Japan.

"Forward-looking" is the word to describe the Japanese business firms that respond to such a call from North Korea. "An advance team promoting development of export goods" already visited North Korea last April and "a team promoting development of export goods" is expected to make an official visit to North Korea in September on a fact-finding mission to investigate whether North Korea has created conditions for investment or not. So, if and when North Korean-Japanese relations are normalized and an environment for investment, including a special economic zone, has been created, direct investment in North Korea by the Japanese business firms are likely to gather momentum.

Japan's Positive Response

North Korea faces a staggering task to emerge from international isolation and overcome the serious economic crisis soon. In addition, North Korea will have no choice but to become more dependent on Japan than ever before, at least in the economic area, if and when perestroyka and glasnost in the Soviet Union gather momentum.

In this context, the task that our government will have to fulfill in response to the call for promoting economic cooperation between the South and North is no less weighty. There is no need to say that in achieving this, confidence-building in the political and military areas between the South and North takes precedence over everything else. This is because political and military factors, in fact, will inevitably influence cooperation between the South and North. Therefore, I am going to examine a few steps that our government can take to solve this problem.

First, the government should actively support the domestic business firms having experience and technology so that they can participate in building a special economic zone in North Korea.

Second, the government should take steps to help the domestic business firms find their ways into the special economic zone by setting up joint ventures with North

Korea, while at the same time seeking to sign an agreement with North Korea on investment guarantees and the prevention of double taxation.

Third, in order to have direct trade and direct investment between the South and North accepted as a system, the government should seek to sign a trade agreement with North Korea, not like the all-inclusive commerce and navigation treaty signed between the ROK and the United States, but a trade agreement designed to fit and apply to only the specific, necessary economic conditions existing between the South and North.

Let Our Business Firms Take Part in the Special Economic Zone

When it comes to trade, the government should try to introduce not only trade and commerce, but also the barter trade between the South and North. It should take steps to make the South and North conduct trade through an open account as well. Toward this end, the government should seek to realize its earlier proposal for setting up a joint institution for economic cooperation headed by vice-minister level officials of the two sides.

Fourth, the government should intensify study of the North Korean economy.

When the South and North have finally managed to rid themselves of the political and economic mistrust, the only thorny problems that may still exist between them are mostly economic ones. This notwithstanding, we have no credible data on the North Korean economy as a whole. Talking about economic cooperation with North Korea without having credible information on its economic situation is akin to counting with only fingers.

USSR Scholar Views N-S After Soviet Coup

SK0509085791 Seoul CHOSON ILBO in Korean 5 Sep 91 p 2

[Interview with Dr. Vladimir Ivanov, responsible researcher in charge of the Pacific region of the World Economics and International Relations Institute under the USSR Academy of Sciences, by reporter Ku Song-chae; in the Republic of Korea, 3 September]

[Excerpt] [passage omitted] [Ku Song-chae] How will the recent coup attempt in the Soviet Union influence the Korean peninsula?

[Ivanov]) Before the coup attempt, North Korea demonstrated considerable flexibility, such as holding talks with Japan to normalize diplomatic relations and deciding to join the United Nations. Therefore, I believe that North Korea will continue to be flexibile in the international community.

China is taking various steps to strengthen its system. Since there is no great disagreement within the Chinese leadership over economic reform, it seems that China will adhere to its long-term opening up policy as long as there is no great difference of opinion.

However, the leadership in North Korea and China are all quite old, so sudden misfortune in the top echelons of the leadership remains a variable.

* Uprising Unlikely in Post-Kim Il-song Era

912C0237A Seoul WOLGAN CHOSON in Korean No 6, Jun 91 pp 124-140

[Article by reporter O Tae-chin: "A Coup in the Presidential Palace Against Kim Chong-il in 1995 Is Foreseen in a North Korean Political Scenario"]

[Excerpt] [passage omitted]**Three Possible Alternatives to Kim Chong-il**

It is worth noting that recently, interested Soviet and Chinese working-level officials and experts on North Korean affairs mentioned three high-ranking expert bureaucrats in their mid-sixties as possible new leaders in the post Kim Chong-il era. The three are: Yon Hyong-muk, premier of the State Administration Council; Kang Song-san, responsible secretary of WPK [Workers Party of Korea] North Hamgyong Provincial Committee; and Kim Hwan, vice premier in charge of light industry. Paradoxically, these are the ones who have greatly contributed to building the foundations the Kim Il-song-Kim Chong-il dynasty while enjoying trust from both of them.

According to an expert, high-ranking Soviet and Chinese Foreign Ministry and party officials mentioned these three as possible candidates for the leadership in the post-Kim Chong-il era for the following reasons:

"Currently, in North Korea the old Kim Il-song partisan generation in their seventies, the Korean war and postwar reconstruction generation in their fifties and sixties, and the new generation in their thirties and forties coexist in a state of rivalry, with their different perceptions and views.

"In terms of political leadership, the generation in their fifties and sixties is absorbed into the Kim Il-song generation in their seventies and the Kim Chong-il generation in their forties. Nevertheless, the generation in their fifties and sixties can serve as the soil for giving birth to new leaders in the political landscape in the post-Kim Il-song era. It is problematical whether this postwar reconstruction generation can assume the role of an assistant and a frontier force to the Kim Chong-il generation in their forties.

"Kim Chong-il has a solid power base in the party and politics, but his power base in the administrative and economic fields is relatively weak. On the contrary, these three are knowledgeable and highly capable and have their own views distinct from Kim Chong-il's with regard to economic problems, the first and foremost issue confronting North Korea. Soviet and Chinese experts may have named these three as possible new leaders with wishful thinking about reform, or probably as a natural conclusion from the judgment that they are qualified enoughto be acceptable to the North Korean populace."

Yon Hyong-muk, Kang Song-san, and Kim Hwan have many things in common, besides the fact that they are in their early sixties. They are graduates of Mangyongdae Revolutionary Institute and Kim Il-song University—both institutes of education in North Korea for training North Korea's highest elite. The three studied engineering abroad—Kang Song-san and Kim Hwan attended a Czech college of engineering and Yon Hyong-muk attended Ural College of Engineering in the USSR. Since their return from studying abroad, they have continued to work in the administrative and technical fields in various economic branches such as the heavy and light industries. They are all technocrats and are regarded as men of moderate temperament and reform-oriented personality, except that Yon Hyong-muk is somewhat foolhardy.

They are well versed in the Russian, French, and Japanese languages, and are well informed because they have traveled abroad with Kim Il-song and his son or led various delegations. Presumably for this reason, they are said to be unhappy about North Korea's exclusionist line of self-reliance. This explains why the three are regarded as representatives of the moderate faction as opposed to the hard-line faction led by O Chin-u, minister of People's Armed Forces; WPK Secretary Kim Chung-nin; and An Pyong-su, vice chairman of the Committee for the Peaceful Reunification of the Fatherland.

The trio has no absolute decisionmaking power in the North Korean political establishment. But they are core staff members who wield considerable influence in the political and economic fields, and in the event pragmatic changes occur in the post-Kim Chong-il era, it will be highly possible for them to emerge as leaders. Yon Hyong-muk, in particular, has secured a bridgehead, so to speak, for exercising his influence in case of emergency, in view of his title as chairman of the "Countermeasures Committee for National Emergency."

Military Holds Casting Vote

In North Korea, the military is the group which has had the richest overseas educational experience. Reportedly, the cinder of grievance against Kim Chong-il is smoldering in the military, and thus the military is regarded as a latent reformist force. Before and after the Korean war, North Korea sent more than 10,000 military personnel to the Soviet Union to receive a high degree of military training for a period of three years. Since then it has dispatched each year an average of 300 to 500 medium-standing cadres, such as captains and majors, to Soviet military institutes for extended training until last year, when it forcibly withdrew all officers studying in Moscow for fear of their being contaminated with reformist ideas. While studying modern military sciences in the Soviet Union for years, these elitist officers were naturally "Sovietized," and accordingly, they are presumed to have a critical view of the one-man rule and the dynastic succession of power in North Korea.

A high-ranking U.S. Government official recently said that a considerable number of North Korean soldiers are unhappy about the use of military personnel in civilian construction projects, and that they ardently desire the introduction of up-to-date arms from the Soviet Union and are rather pro-Soviet, and that they are angry about the worship of Kim Il-song and his son.

A 1989 foreign dispatch from Pyongyang quoted a local source as saying that there had been two attempts on Kim Il-song's life by soldiers opposed to him. The first attempt occurred right before the rumor about Kim Il-song's death in December 1986; and the second attempt occurred when a shot was fired as the special train carrying Kim Il-song passed near Sinuiju on his way from a visit to Beijing in May 1987. The shot missed Kim Il-song, killing one of his guards. The same foreign dispatch reported that immediately afterward, five high-ranking military cadres involved in this incident sought asylum in China.

A military train carrying explosives and artillery shells from China exploded in December 1987 on its way to Yongbyon after passing through Hwasun, North Hamgyong Province, killing more than 120 persons. Observers say this major accident was also the work of the anti-Kim Chong-il group. Recently, North Korea has been stirring up loyalty to Kim Chong-il among the military by various means, including the "letters of loyalty" campaign, and this may be a reflection of Kim Chong-il's waning trust in the military.

O Chin-u, minister of people's armed forces, who may be called the "boss" of the military, is Kim Il-song's lifelong servant who is in charge of loyalty to Kim Il-song and his son. Being the number three man next only to Kim Il-song and Kim Chong-il in the hierarchy, O has been a subject of discussion as a possible alternative to Kim Chong il. Even putting O Chin-u aside, however, the military itself could become an influential alternative group to seize power because it is more "powerful" than any other group in the power vacuum.

The pattern of the military's intervention in politics will be somewhat similar to that during the coups in South Korea in the 1960's and 1980's. The military might not directly intervene, but at least it is expected to cast a "decisive vote" in picking the leader from among the group of technocrats led by Yon Hyong-muk, or from a third group.

Half Brother Kim Pyong-il

The last group which could be presumed to be a possible alternative force is the Kim Il-song clan. As is well known, Kim Song-ae, who is Kim Il-song's second wife and Kim Chong-il's stepmother, is not on good terms with her stepson, and has been rendered completely powerless in the process of building the system of dynastic succession. Nevertheless, recently she and her real son, Kim Pyong-il, have suddenly become a household word.

Kim Pyong-il, Kim Chong-il's half brother, is 38 years old now and is reputed to exceed Kim Chong-il in talent and appearance. Early on, while in military service for 10 years, Kim Pyong-il rose to the rank of bureau chief in the Ministry of People's Armed Forces. He is reputed to enjoy the confidence of the military in particular, thanks to his superb leadership. What is more, he has an advantage as the real son of the present wife of the supreme leader.

As a man of bold and sociable character, Kim Pyong-il is contrasted with Kim Chong-il's self-righteous personality. Recently, a Japanese magazine quoted North Korean sources as saying that assuming a state of civil war, the North Korean military is already divided into two groups, "the Chong-il faction" and "the Pyong-il faction," and that the ratio of power between the two factions is 1:3 in favor of the Pyong-il faction.

Kim Pyong-il was sent to Hungary as ambassador in August 1988, and subsequently transferred to Bulgaria as ambassador there. Ever since, he has been on overseas assignments apparently against his will. Analysts view this as a move on the part of Kim Chong-il to keep him out of the power center.

The latest occasion in which Kim Chong-il's scheme to hold his half brother in check became visible was the first exclusive interview of Kim Pyong-il conducted recently by Bulgarian's independent trade union organ, TRUD. On this occasion, it was revealed that a North Korean agent was assigned to shadow Kim Pyong-il.

A man named Cha, who sat in with Kim Pyong-il as his interpreter, exceeded his authority and put his own interpretation on what Kim said. For instance, when Kim said the North Korean economy is not unsettled, Cha interpreted this sentence to read: "The North Korean economy is perfectly fine."

Having an inkling of the interpreter's ulterior motive, Kim Pyong-il tried to switch to English, but the surprised interpreter threateningly put on the brakes, saying "stop talking." A Japanese National Police Agency official disclosed that this man named Cha played a surveillance role at Kim Chong-il's instruction. Recently, a Japanese magazine reported that this type of surveillance on Kim Pyong-il is a known secret among international diplomatic circles.

Kim Il-song Dies in June 1993

The picture titled "Pyongyang After Kim Il-song's Death" could be drawn in dozens of different ways, depending on how these diverse variants are brought into harmony. The author will first present the most likely scenario based on his personal judgment and then proceed to briefly go over other scenarios.

Kim Il-song yields his post as general secretary of the WPK to Kim Chong-il at the Seventh WPK Congress in the spring of 1992 and stays in the presidential palace only as president of the state. One year later, in June 1993, Kim Il-song suddenly dies of a heart attack. He dies after being bed-ridden for several months due to the deterioration of his chronic arthritis in the knees. The North Korean broadcasting stations interrupt their regular programs to play marches and revolutionary songs.

With the whole army placed on emergency alert, the top party, government, and military officials converge on the central party headquarters building in Haebangsan-tong, Chung-ku, Pyongyang, in which Kim Chong-il has his office. Compared with early 1991, there has not been much personnel reshuffling involving key party and government officials including Premier Yon Hyong-muk. But Choe Kwang is now the minister of people's armed forces replacing O Chin-u, who became vice minister due to his old age; and O Kuk-yol, known as Kim Chong-il's right-hand man, regained his old post as chief of general staff of the army.

Those gathered on that occasion are the 40 or more highest officials, including all 23 members of the WPK Political Bureau; all 10 members of the WPK Secretariat; six generals belonging to the National Defense Commission under the Central People's Committee; the minister of national defense and the minister of public security.

They form on the spot a "Countermeasures Committee for National Emergency" and a "Preparatory Committee for the State Funeral for Kim Il-song," and name Kim Chong-il as chairman of the countermeasures committee and Vice President Yi Chong-ok as chairman of the preparatory committee. They also decide to hold a WPK plenum on the following day in order to work out the procedures for transferring the post of the presidency and that of chairman of the National Defense Commission vacated by the death of Kim Il-song to Kim Chong-il.

The top leaders decide to postpone an official announcement of Kim Il-song's death until after the party plenum is over in order to gain time to assess the moves in South Korea, the possible unrest within the power structure and among the populace, and the preparedness of the military, surveillance, and security organizations to cope with any contingency. They also decide to withhold the fact of Kim Chong-il's takeover of the presidency until after official procedures are taken for selecting the president at a plenum of the Supreme People's Committee following Kim Il-song's funeral.

At the WPK plenum held on the following day, the 320 or more Central Committee members look confused at the news about Kim Il-song's death, but there are no signs of unrest and they pose no objection to Kim Chong-il's succession to the presidency. Kim Chong-il, presiding over this meeting in his capacity as WPK general secretary, does virtually no reshuffling of party posts and makes no change in the ranking in the hierarchy.

Kim Chong-il is well aware of the fact that any change in the political structure will amount to undermining his own foothold because he has inherited the Kim Il-song power structure and because his own power base is an extension of this same structure.

President Kim Chong-il Pushes for Economic Reform

Introducing perestroyka, Gorbachev made scapegoats of Stalin and Brezhnev; and in East Europe also, political reform was made possible only after the Stalinist leaders were eliminated. But Kim Chong-il cannot make a scapegoat of his own father. His case is also different from Deng Xiaoping, who consolidated his position after making some criticisms of and revisions of Maoism after the death of Mao Zedong.

During the mourning period, Kim Chong-il spends most of his time contacting key domestic figures individually, in addition to receiving foreign delegations from various countries, including China, the Soviet Union, and Cuba. He pays particular attention to contacts with elder statesmen, such as Vice Presidents O Chin-u, Yi Chong-ok, and Pak Song-chol; Choe Kwang, minister of people's armed forces; Kye Ung-tae, secretary of the WPK; Kim Chol-man, member of the National Defense Commission; and Paek Hak-nim, minister of public security.

These people, who belong to the so-called "first generation of the revolution," have been single-mindedly loyal to Kim Chong-il ever since their guerrilla days in Manchuria through the early period of the regime, the Korean war, the purges, and the building of the dynasty system.

Kim Chong-il knows well that these elders are the most influential group which can pacify the reformist group and the military and assuage any popular unrest and secure the stability of his own power. As he expected, these figures recently renewed their "pledge of unswerving loyalty."

Kim Chong-il separately meets his influential relatives, such as his father's guard group including WPK Secretary Chon Pyong-ho and Vice Premier Choe Yong-nim; Political Bureau member Kang Song-san; WPK Secretaries Hwang Chang-yop and Kim Yong-sun; and SPA Speaker Yang Hyong-sop. This is because these are the most trustworthy people.

When the funeral is over, amid a delicate state of tension, Kim Chong-il begins to perform his state duties as the supreme leader both in name and reality. He thinks it most urgent to remove the discontentment and skepticism about the ruling structure which have accumulated amid 20 years or more of economic difficulties.

Lively Economic Reform

Despite the apprehensions of the conservatives, economic reform after the Chinese model begins to be pushed forward gradually at the recommendation of the group of economic-diplomatic technocrats, including Yon Hyong-muk, Kim Yong-nam, Han Song-yong, Hyon Mu-kwang, Hong Song-nam, and Kim Hwan. Reform is limited to the level of partially introducing a market economy based on the planned economy.

First of all, the new system permits private ownership of small business or family-level enterprises, as well as the limited ownership of land and farm machinery. Street venders of snack items and simple daily necessities appear in Pyongyang; private commercial activities such as picture-taking services rendered by photographers in recreation grounds begin to sprout; and there are even private tax services.

The ban on selling rice and other foodstuffs as well as clothing in underground "farmers' markets" is lifted, and farmers' markets which have even been expanded into large cities are now in the spotlight as private markets both in name and reality. The independent economic accounting system is expanded in each enterprise and factory, and the self-management of enterprises is permitted on a limited scale in some fields of activity, such as raising private funds and leasing property.

"Funds for the people's economy" in the budget are drastically increased for improvements in the daily lives of the people, and a movement to revitalize light industry is launched on a big scale under the slogan of improving the quality of daily necessities and increasing their output. Social overhead capital construction projects, such as the construction of highways, ports, and railways, are pushed forward at the same time.

In the domain of external economy, with introduction of Western capital set as the first priority goal, the Ministry of Joint Venture Industries, which was abolished in 1990, is now expanded into the Ministry of Joint Ventures. The Joint Venture Law, which has remained inactive since it was enacted in 1983, is revised to give more practical substance to it with the enactment of the law on protecting foreign investors.

In the past, the inducement of foreign joint venture capital was centered on the production of daily necessities and consumer goods. But, efforts are now being made to expand it into the heavy industry and the producer goods industries. After the Chinese model, special economic zones are established in the triangle border area connecting Unggi in North Hamgyong Province, Hunchun in China, and Hasan [name as published] in the Soviet Union, as well as in Chongjin, Nampo, and other ports. ROK-China or ROK-USSR joint ventures in which South Korean firms supply capital and technology are established in the triangle border area.

In the wake of the establishment of diplomatic relations with Japan in the latter part of 1993, Japanese capital and technology flow into North Korea, enlivening the lure for joint ventures. Japan pays the bulk of its $5-billion indemnity in the form of constructing private-level projects. Japanese businessmen and technicians enter North Korea in droves for the construction of plants and technical investment in North Korea's lagging industrial sectors, such as oil refining, power generation, coal production, mineral deposits development, steel making, electronics, and computers.

In policy toward South Korea, North Korea abolishes de facto its half-century old goal of "a South Korean revolution for communization," without making an explicit statement. North Korea faces South Korea in the context of coexistence and rivalry between the different systems in the two parts of Korea. But the North becomes increasingly defensive as it is seized with paranoia, being afraid that it might collapse and be absorbed into the South in the pattern of German reunification. This explains why despite the fact that the official channels of dialogue, such as prime ministers's talks, parliamentary talks, and Red Cross talks have been reopened since the latter part of 1991, there are few personnel and material exchanges and other visible moves offering a bright prospect for reunification.

Following up the 1989 visit to North Korea by Chong Chu-yong of the Hyundai group, South Korean businessmen visit the North from time to time. But there are no full-fledged North-South economic exchanges, such as joint ventures and joint development of tourist centers, except direct exchanges of surplus materials or materials in short supply. This is also because North Korea is seized with the fear that it might be merged into the South in economic terms in the same way East Germany was integrated into West Germany. South Korea can do nothing except to tantalizingly look, with its arms folded, at the inflow of Japanese and other Western capital into North Korea.

Basically speaking, there will be no change in North Korea's reunification policy based on the formula of the Koryo Confederal Republic unless a drastic change occurs in the political philosophy established by Kim Il-song. There is less call than before for the confederal republic by domestic news media or by official statements for foreign consumption, and this may be regarded as a change. Following South Korea's entry into the United Nations in the fall of 1991, North Korea is also admitted in 1992. But the North and South only engage in verbal duels in the world organization.

In the winter of 1993, soon after the establishment of diplomatic relations between North Korea and Japan, China establishes diplomatic relations with South Korea, and the United States also begins nonpolitical exchanges with North Korea in the sports, academic, and artistic fields. Thus the cross recognition formula nears the completion stage. There are signs of softening in the North Korean attitude toward the U.S. conditions for normalization of relations with North Korea, which include continuing North-South dialogues, returning the remains of U.S. soldiers missing from the Korean war, and accepting inspections of the nuclear facilities.

Despite what may be regarded as a drastic change in domestic and foreign policies, the political structure—characterized by Kimilsongism (the chuche ideology is so named officially after the death of Kim il-song), the Kim Chong-il unitary system, and the leading role of the party—remain intact. The ideological indoctrination of the populace is not eased either, on the grounds that the various changes in the past were only intended for securing victory for socialism and realizing the chuche kingdom.

The structural screening of information continues as the press carries news about the outside world on a very limited basis according to the goals of the establishment. Needless to say, there are not yet any broadcasts between North and South to each other. By using the WPK's front organizations such as the Chondoist Chongu Party and the Social Democratic Party, North Korea claims that it espouses a plural party system, but this system exists only in form. In the election of SPA deputies, voters are allowed to choose one of the two candidates from each district by indicating yes or no, but this dual candidate system is little more than a name because the WPK is in complete control of the nomination procedure for candidates.

As the "three-legged" march of preserving the political establishment while allowing changes in economic and foreign policies continues over a year, many problems crop up. First, despite the strict shut-out of information, the people's view of the outside world begins to become realistic as a result of the opening of the economy and large inflows of foreigners attendant upon this opening. Their view of South Korea undergoes a radical change through the mouths of North Korean workers employed by South Korean joint ventures in the special economic zones and through South Korean products circulating in North Korea.

Conservatives' Mounting Discontent

The discontent of the military begins to sprout with the increased outlays for the people's economy and the resultant decrease in the military expenditures. In the process of opening the economy, the pragmatists gain a greater voice while the conservatives become increasingly discontent. The revolution's first generation continues to decrease in number due to natural death from old age and becomes an onlooker of the rapid changes which are taking place.

Shift in generation takes place among economic-diplomatic technocrats as the older are being replaced by a younger and more rational and skillful up-and-coming generation. On the contrary, the conservatives who grew up in the field of operations directed toward South Korea, and in other authoritative areas such as ideological, organizational, and public security, are tormented by an increasing sense of crisis as their position diminishes with the passage of time. They often hold private meetings to find ways to stage a comeback.

Even those whom Kim Chong-il secured as a loyalist force at the outset of his rule split into pragmatic and conservative factions depending on their specific fields and propensities. Kim Chong-il cannot do anything about this division and conflict except to sit back with his arms folded. Even if Kim Il-song were brought back to life, there would be little he could do.

However, the real trouble stems from the fact that the economy has improved little. With the backbone of the centrally controlled planned economy left intact, there have been only limited reforms, and labor productivity remains at the bottom as in the past, with the regime unable to meet the rapidly increasing demand of the workers for more incentives.

As the prices and quality of commodities are graded and the gap between rich and poor becomes visible with the limited introduction of a private economic system, discontent about inequality begins to rise. The introduction of foreign investment becomes brisk, but dependence on foreign capital and technology accelerates as there is little technology transfer and reinvestment of foreign capital.

The conservatives begin to openly air their dissatisfaction saying that the hasty reforms have brought nothing but ruin to the old establishment and the well-being of the people, whereas the pragmatists are dissatisfied with the narrow scope of reform.

Coup in the Spring of 1995

Beginning in early 1995, students and young intellectuals stage sporadic demonstrations demanding broader economic reforms and corresponding political reform. The words "freedom" and "democracy" begin to appear in their slogans, printed materials, and wall newspapers. In factories and cooperative farms, slowdowns and strikes are waged one after another. Under Kim Chong-il's personal orders, troops are mobilized to crack down on disturbances in several large factories. Antiestablishment and religious organizations launch underground activities demanding "human rights." The number of defectors to South Korea or third countries increases rapidly among North Koreans working overseas or among inhabitants in coastal or border areas. Nevertheless, the disturbances that are occurring are not yet large enough to be characterized as a "popular uprising."

Less than two years after coming into power, Kim Chong-il is "dethroned" by the pragmatists in league with the young generals and field-grade officers. The whole territory is in the hands of the revolutionary army with little resistance except for skirmishes with the troops of the General Guard Bureau defending the presidential palace. The interim government led by the "Military Revolutionary Council" steps down six months after its inception, and in its place an oligarchy is established with the presidency, the WPK general secretary, the chairman of the National Defense Commission, the prime minister, and other key posts divided among existing big wheels with expert bureaucratic experience.

Now far broader and more full-fledged economic reforms equivalent to those in the Soviet Union begin to be undertaken. A movement to downgrade the chuche ideology and Kim Il-song and his son is initiated. Along with the opening of information at home and abroad, a parliamentary system reflecting the will of the people through free elections makes its debut. The animosity and enmity toward South Korea diminish so much not only among the general pubic but also among political leaders in the North that people begin to have substantial discussions about the reunification issue for the first time.

The second scenario is different from the first one in that an internal strife and squabble for power immediately follow Kim Chong-il's accession to power. The power struggle is confined to a veiled struggle among key power groups within the party, stopping short of spilling into the populace as happened following the death of Stalin and Mao Zedong. A new leader emerges at the end of the power struggle against Kim Chong-il. The power structure can be either a collective leadership system or a new one-man rule.

This new leader, one of the Political Bureau members who rank 15th or higher in the party hierarchy, will more likely emerge from among the holders of key party posts than from among the holders of leading posts in state or administrative organs. To cite an example on the basis of the ranking as of May 1991, WPK Secretaries Kye Ung-tae, Han Song-yong, Chon Pyong-ho, and Choe Tae-pok fall within this category.

Even if the new leader consolidates his one-man rule, his position will not be as strong as the Kim Il-song rule has been. Naturally, a drive to downgrade Kim Il-song and his son is launched with the framework of the old establishment left intact, and gradual reform is initiated very cautiously in various policy fields. The enmity between North and South softens somewhat and more substantial dialogues and exchanges take place. A ruling system similar to the Albanian system in the post-Hoxha area, the Soviet system following the death of Stalin, the Deng Xiaoping system following the death of Mao Zedong, and the new system in Yugoslavia after the death of Tito, will continue for several year until a visible prospect for reunification appears in the latter half of the 1990's.

However, should the political unrest spread into the populace in the process of the power struggle, or should the unveiled squabble turn into an open struggle, or should unrest or disturbances continue with no definite personage or group holding the hegemony, then the military would be most likely to seize power through a coup d'etat or by other means.

In that event, changes in domestic and foreign policies and the relaxation of tension between North and South will be delayed further. O Chin-u, or Choe Kwang, or some other elder military leader will assume the presidency of the state for the transitional period until military heavyweights or party or administrative big wheels take over in the form of an oligarchy.

The third scenario presumes that Kim Chong-il fails to establish his one-man rule after his accession to power but rejects all changes for an extended period of time in collaboration with the conservatives. This is the worst case scenario for the people who desire reform and opening in North Korea and the democratic reunification of the country. However, considering Kim Chong-il's lack of charisma, the internal and external changes, and the domestic economic difficulties, chances are very slim that this scenario will become a reality.

Uprising Least Likely

The fourth and last scenario presumes a popular uprising similar to that in Romania or some other revolutionary upheaval immediately following the death of Kim Il-song or while Kim Chong-il or a third man is in power. But, among South Korean experts, this scenario is regarded as having the lowest probability. They argue that it is hardly expected that the inhabitants who have had their ability to think critically and independently atrophied in the culture of idolatry for half a century will stage a "revolution from below."

Supposing such a revolution takes place, the outcome would not be a "shift to liberal democracy" as happened in East Germany, Czechoslovakia, and Poland.

Despite these varying scenarios, there is one common prospect—the prospect that regardless of whether Kim Chong-il hangs on tightly to his power or is removed from power, or a collective leadership system including him is established, North Korea will in the medium and long run adopt a broader and more moderate and pragmatic line of reform and opening.

The primary reason is that North Korea's economic difficulties have aggravated so much that whoever becomes the leader will have no alternative but to give first priority to improving the economic life of its populace in order to provide political justification for his rule. Reform measures are indispensable if for no other purpose than to weaken the foothold of the revolution's first generation and the strata holding vested interests. On the other hand, flexible pragmatic diplomacy is essential for adaptation to the new world order being established.

These factors for change have been at work since the turn of the decade, cornering North Korea into the dilemma of choosing between the preservation of the old establishment and change. North Korea will eventually adapt itself to history and reality and this adaptation is expected to occur in the latter half of the 1990's.

N-S Student Contact for Exchange Tours Approved

*SK0509121891 Seoul YONHAP in English
1205 GMT 5 Sep 91*

[Text] Seoul, Sept. 5 (OANA-YONHAP)—The government on Thursday changed its mind and approved contact between South and North Korean student representatives for talks on sisterhood ties and exchange tours of historic sites.

Kim Ho-sang, chairman of the South Korean preparatory committee, notified his North Korean counterpart that he will soon make further contact to arrange the details for the meeting.

The National Unification Board (NUB) on Wednesday had said it will not allow the inter-Korean student contact, claiming the South Korean students did not adhere to proper legal procedures.

Students at South Korea's Konguk University Korean Language Department proposed last month to their counterparts at North Korea's Kim Il-song University that they meet to discuss exchange tours and sisterhood ties.

The North Korean students announced through broadcasts Wednesday that they will send two students to the border village of Panmunjom Thursday afternoon, but the meeting was aborted after the South Korean Government disallowed it.

An NUB official said the Konguk students filed an official application for inter-Korean contact on Wednesday and pledged to adhere strictly to government regulations.

The government decided to approve the contact considering the suitability of the project for the students and the fact that professors will accompany the students.

The student contact, if realized, will be the second such meeting since the Korean division in 1945. Collegian reporters from the two sides met for the first time under government approval last Aug. 12 to discuss South Korean students' visit to the North for news coverage.

The government, however, blocked the second meeting claiming the students violated their agreement to discuss only the details for the project.

Two Students Arrested en Route to Panmunjom

*SK0509115791 Seoul KBS-1 Radio Network
in Korean 1000 GMT 5 Sep 91*

[Text] The police have arrested two university students going to Panmunjom to discuss the formation of a fraternal relationship with North Korean university students and other issues.

The two students, including Kim Ho-san, a senior in the Korean Literature Department at Konguk University, were taken away on their way to Panmunjom after receiving a reply from the Students Committee of Kim Il-song University. The reply proposes that a working-level contact be held in Panmunjom to discuss academic visits, the formation of a fraternal relationship, and other forms of mutual exchange.

Chondaehyop Group Arrested at ROK-U.S. CFC

SK0509115191 Seoul KBS-1 Radio Network in Korean 1000 GMT 5 Sep 91

[Text] Six representatives of the National Council of University Student Representatives [Chondaehyop], including Chon Chu-ri, a senior in the History Department at Hanyang University, staged a sit-in at 1430 this afternoon in front of the ROK-U.S. Combined Forces Command [CFC], demanding that North and South Korea be simultaneously subjected to nuclear inspection and that they sign a peace agreement. The police took all of them away during their sit-in.

Talks Under Way for N-S Musicians' Performance

SK0509055191 Seoul YONHAP in English 0521 GMT 5 Sep 91

[Text] Seoul, Aug. 5 (YONHAP)—Talks are under way on South and North Korean musicians performing together in Pyongyang next month with symphony orchestras from both sides.

Musicians have performed together three times before, but not symphony orchestras.

World of Love, a social group in Seoul, is negotiating with North Korea's Overseas Cultural Exchange Committee for tenor Pak In-su, pop singers Cho Yong-pil and Yi Son-hi and a traditional musical troupe led by O Kap-sun to take part, and negotiating with the Korean Symphony Orchestra about participation.

North Korea reportedly wants the world-famous Chong trio—Chong Myong-hwun, music director of the Bastille opera in Paris, cellist Chong Myong-hwa and violinist Chong Kyong-hwa—to be part of the event.

Because Chong Myong-hwun is fully booked until Dec. 26, the concert may have to be held around the new year.

North Korea will be represented by the Pyongyang Central Symphony Orchestra and traditional and Western musicians in the concert, which is tentatively slated for Oct. 20 as part of the Yun I-sang music festival. Berlin-based Yun has acted as a bridge between musicians in the two Koreas.

Inter-Korean Trade Passes $100 Million Jan-Aug

SK0409125991 Seoul YONHAP in English 1221 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (OANA-YONHAP)—The volume of inter-Korean trade for the January-August period totaled about 117.202 million U.S. dollars, a figure that surpasses the sum for the entire 1988-1990 period by 2.4 times, the National Unification Board (NUB) said Wednesday.

The figure also represents an 11-fold increase from same period last year.

Most of it was South Korean import from North Korea, which accounted for 104.632 million dollars. Exports to North Korea stopped at 12.57 million dollars due to foreign currency shortage in Pyongyang, NUB officials said.

Inter-Korean trade, usually through a third country, has been kept on record from 1988 when the South Korean Government launched an open-door policy toward the North.

South and North Korea took a step forward earlier this year by concluding the first ever direct barter deal for swapping South Korean rice for North Korean cement and coal. South Korea made the first shipment of rice in July.

NUB statistics showed 25 South Korean companies, 20 of them small- and medium-sized firms, participated in inter-Korean trade in August, six more than in July.

Import of North Korean cement, demanded much in the South from the construction boom, totaled 5.248 million dollars in August, 14 times more than the previous month. Other major imports included zinc, frozen pollack and gold ingots, NUB said.

Company Plans for Direct Trade With North

SK0509035691 Seoul THE KOREA HERALD in English 5 Sep 91 p 6

[Text] Korea Trading International Inc. (KOTI) will try to open direct trade with North Korea in the near future, KOTI said yesterday.

South and North Korea will benefit more from direct trade than indirect trade through third countries such as Hong Kong and Jordan, a KOTI spokesman said.

Prospects for improving economic relations between them are bright if direct trade takes place, the spokesman said, adding that it will take time.

KOTI plans to import $1 million worth of raw materials, including nonferrous metal, from Pyongyang this year, compared with $500,000 in 1990.

North Korean Company Opens Branch in Japan

SK0409131291 Seoul YONHAP in English 1250 GMT 4 Sep 91

[Text] Tokyo, Sept. 4 (OANA-YONHAP)—North Korea's first private business group opened its locally incorporated branch office here Wednesday, hoping for inter-Korean trade and possibly opening of a similar office in South Korea.

The Kumgangsan International Group, headed by a 57-year-old businesswoman, Pak Kyong-yun, opened its branch office within 10-minute driving distance from the South Korean Embassy in Tokyo. The group's subsidiary Kumgangsan International Trade and Development Corp. was the North Korean contractor for the widely-publicized inter-Korean barter trade this year, swapping South Korean rice with North Korean cement and coal.

Pak told a press conference she is seeking to open an office in South Korea as well. The Japanese side is to open trade routes to South Korea, Hong Kong, Taiwan, the Philippines and China, she said.

Stressing that her company is a purely private firm, Pak said her chief aim is to pursue common interests and progress of the Korean people.

Preparations are under way to open a Japanese branch of the group's Koryo Bank, she said. Other major plans include finding ways to take North Korea's rich resources into South Korea, she said, but refused to reveal details.

More on Defection by North Espionage Agent

SK0309112791 Seoul YONHAP in English 1035 GMT 3 Sep 91

[Text] Seoul, Sept. 3 (OANA-YONHAP)—A former Korean resident in Japan who had been living in North Korea since 1973 defected to South Korea late last month via a Southeast Asian country and arrived in Seoul Tuesday.

Kim Su-haeng, a 34-year-old member of North Korea's ruling Workers' (communist) Party Social and Cultural Department, said he had been trained for espionage activities in South Korea and had been on assignment in China since last May.

He fled to a Southeast Asian country on Aug. 29 and found an asylum at the South Korean diplomatic mission there, officials here said.

This is the first time that a Korean resident in Japan defected to the South after living in North Korea.

Northeast Asian Economic Body Proposed

SK0509034391 Seoul THE KOREA HERALD in English 5 Sep 91 p 6

[Text] Kim Chuk-kyo, president of the Korea Institute for International Economic Policy [KIEP], yesterday proposed the establishment of a multilateral consultative body as the first step toward concrete Northeast Asian economic cooperation.

"In order to narrow the wide gap in perception among Northeast Asian countries (NEACs) on the scope and degree of Northeast Asian economic development, it is necessary to set up a consultative body," Kim said during the panel discussion session wrapping up the two-day Regional Forum on Northeast Asian Economic Cooperation.

The international seminar, which drew 33 scholars from six countries, was cosponsored by the KIEP and the Asia Society of the United States.

The KIEP head said that the consultative organization may organize and sponsor a "research forum for Northeast Asian economic cooperation." The body is to be run by a committee consisting of eight people from each member country.

Kim said the Northeast Asian region, by geographical definition, comprises Taiwan, Hong Kong, China (particularly eastern coastal provinces), Japan, the Soviet Union (particularly, the Far East) and the two Koreas along with the United States.

The regional forum will be hosted annually or semi-annually by member countries in rotation.

For financial support and to facilitate research, Kim said, "I would also like to suggest that a symbolic $1 million research fund be formed through contributions from each country."

With contribution amounts being determined according to the per capita income level of each country, the fund will be used to support research projects on regional economic cooperation, he continued.

He said one of the biggest obstacles to the promotion of regional economic cooperation is the lack of confidence and the significant perception gap among NEACs on the feasibility of regional cooperation, resulting from each nation's different level of economic development, configuration of economic systems and policy objectives.

"Efforts for regional cooperation are also constrained by an incomplete and insufficient institutional framework," Kim said.

Besides the efforts to set up a research forum, Kim called for the elimination or amelioration of the institutional bottlenecks of regional cooperation.

Formation of formal diplomatic ties between South Korea and China, and between North Korea and Japan is important in that sense. To ease the bottlenecks in communication and transportation, the scholar suggested a few concrete ideas.

"It would be a good idea to conduct feasibility studies on projects such as the construction of an underwater cable network across the Yellow Sea or the Pacific," Kim said, adding that opening new airlines (Beijing-Seoul-Khabarovsk) or vessel routes (Inchon-Tianjin, Pusan-Nakhodka) would also accelerate the pace of regional cooperation.

With the basic institutional bottlenecks alleviated and mutual understanding cultivated, Kim said, "A mutual coordinating body should be established so as to maximize cooperation potential and foster constructive and efficient economic inter-dependence in the region."

But he cautioned that the multilateral body must not be an exclusive regional bloc taking a discriminatory posture against non- member countries.

Belorussian Prime Minister To Arrive 6 Sep

SK0509101791 Seoul YONHAP in English 1002 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (OANA-YONHAP)—Belorussian Prime Minister V.F. Kebich arrives in Seoul Friday to discuss cooperative ties with South Korea.

Kebich leads an eight-member delegation, the first visit by officials of the Soviet Republic of Belorussia.

The prime minister will meet with South Korean President No Tae-u, Economic Planning Minister Choe Kakkyu, Foreign Minister Yi Sang-ok and Trade and Industry Minister Yi Pong-so during his eight-day stay.

The Belorussian delegation will contact leading businessmen here for economic cooperation and tour industrial sites before returning Sept. 13.

More on USSR Envoy's Return, Gorbachev Letter

SK3108003991 Seoul THE KOREA HERALD in English 31 Aug 91 p 1

[Text] Soviet Ambassador to Korea Oleg Sokolov returned to his post yesterday from his one-and-a-half-month-long home vacation, carrying a personal letter from Soviet President Mikhail Gorbachev to President No Tae-u.

The letter is a reply to No's recent message to Gorbachev where No reaffirmed his support for the Soviet leader, the envoy said. The Soviet president expressed thanks for No's support in the letter, Sokolov said, refusing to go into further detail.

The ambassador is expected to pay a call on President No today to convey the letter to him, officials said.

Upon arriving at Kimpo International Airport, Amb. Sokolov issued a statement saying that he thanked No for his support to Gorbachev, Russian President Boris Yeltsin and the Soviet people during the recent political upheaval.

"We are grateful to the leadership and the people of the Republic of Korea and to President No Tae-u personally for the stand your country took in the days of crisis in the USSR," it said.

The envoy said his country continues to suffer from a severe economic and political crisis. "Every effort is now being made by the Soviet leadership and by the democratic forces at large to tackle all these problems." The parliaments of the USSR and the individual republics, he said, are putting forward different proposals to bring about economic and political stabilization.

"We count on the cooperation of other countries, who took our victory as their victory too, in this endeavor," he said. "The coup plotters wanted to isolate the Soviet Union from the rest of the world, but their strategy backfired."

The Seoul government will soon dispatch a five-member delegation to the Soviet Union to assess the political situation in the country.

Seoul has virtually suspended its $3-billion aid package to the USSR in the wake of the abortive coup.

Sokolov said the failure of the coup in the Soviet Union "signifies the opening of ever greater prospects for economic ties between the Soviet Union and other countries, including Korea.

"We share the Korean government's confidence that the extensive cooperation between the Soviet Union and the Republic of Korea will be developing at an even greater pace," he said.

He said cooperation between Gorbachev and Yeltsin is important, adding that the Russian republic leader agrees to the basic principle of the Union Treaty.

Asked about the possibility of Yeltsin's visit to Korea, the envoy said the Russian leader could come to Korea despite his busy schedule.

Shipbuilders Confident of Payment by USSR

SK0409050391 Seoul THE KOREA ECONOMIC JOURNAL in English 2 Sep 91 p 10

[Text] Shipbuilding orders received from the Soviet Union totaled 7.5 million tons for 143 ships worth a total of $6.879 billion on an outstanding basis at the end of July, industry sources said.

Included in the orders are contracts for 20 multi-purpose cargo ships and oil tankers worth $1 billion awarded to Hyundai Heavy Industries, Halla Heavy Industries and other major shipbuilders. These shipyards have already received 20 percent of what is owed them in initial payments and other mid-contract payments, the sources said. This, together with rising ship prices, will make it difficult for the Soviet shipping firms to cancel their contracts midway because of the political unrest in the Soviet Union, they added. Even if they cancel the contracts, the Korean shipbuilders will easily find new shipping firms which will take over the canceled Soviet contracts, they said.

Noting that Soviet shipping firms placed the orders through third countries, such as Norway and Liberia, there will be no difficulties getting these third countries to make mid-contract payments to Korean shipyards, the sources said.

European Investment Increases Over 610 Percent

SK0209021991 Seoul YONHAP in English 0126 GMT 2 Sep 91

[Text] Seoul, Sept. 2 (YONHAP)—Foreigners made 179 investments in South Korea worth 1.023 billion U.S. dollars this year as of the end of July, up 11.9 percent and 110.7 percent, respectively, from the corresponding period last year, the Finance Ministry said Monday.

A joint venture between Ssangyong and Saudi Arabia's Aramco Oil Company accounted for 470 million dollars of this, according to the ministry.

During the seven months, American and Japanese investment decreased and European investment rose 610.4 percent to 682 million dollars, up from 96 million dollars last year.

Foreign investment for last year was 802 million dollars, and this year is expected to reach 1.2 billion to 1.3 billion dollars, the ministry said.

Foreign investment declined in the manufacturing sector to 809 million dollars and 76 investments, down 113.5 percent and 3.8 percent, respectively.

It increased in the service sector to 215 million dollars, up 100.9 percent, and 103 investments, up 27.2 percent. Last year's figures were 107 million dollars and 81 investments.

In the service sector, investment in trade increased most, up 208.3 percent, followed by banking and insurance, up 62.1 percent, and hotels, up 9.3 percent, according to the ministry.

ROK Christians in PRC 'Creating Unrest'

SK3108063491 Seoul YONHAP in English 0546 GMT 31 Aug 91

[Text] Seoul, Aug. 31 (YONHAP)—China has complained to South Korea that South Korean Christians are creating unrest with their evangelical activities in China, sources at the Foreign and Culture Ministries said Saturday.

The Chinese Government requested through "diplomatic channels" in late July that proselytising be halted, and after consulting with the Foreign Ministry in August the Culture Ministry asked religious organizations to stop all missionary work in China.

China first complained of "excessive" evangelism last year, the Culture Ministry source said.

The religious organizations sent letters to churches all over the country urging self-restraint until Korea and China normalize relations, both sources said.

Korea has one of the world's fastest growing Christian populations.

Samsung Company Officials Leave for China

SK0509040391 Seoul THE KOREA HERALD in English 5 Sep 91 p 6

[From the "Industrial Notes" column]

[Text] Sin Hyon-hwak, chairman of Samsung Co., yesterday left for China, accompanied by seven executives from Samsung Group.

They will meet with former Foreign Minister Huang Hua to discuss bilateral economic cooperation and tour Beijing, Tianjin, Shanghai and Dalian, a Samsung spokesman said.

Sin Se-kil, president of Samsung Co., Song Chae-hak, president of Samsung Heavy Industries Co., and Pak Tong-sung, head of Samsung Economic Research Institute, will be in Sin's party.

* ROK-Japan Trade-Technology Talks 'Fruitless'

912C0254A Seoul MAEIL KYONGJE SINMUN in Korean19 Jun 91 p 3

[Article by reporter Pak Si-ryong: "'Fruitless' ROK-Japan Technology Cooperation: Outcome of Tokyo Meeting of ROK-Japan Trade and Industrial Technology Cooperation Committee"]

[Text] The ROK-Japan Trade and Industrial Technology Cooperation Committee held its first two-day conference in Tokyo on 17 and 18 June. Much attention was focused on the results of this meeting because it came at a time when the snowballing trade imbalance and other economic cooperation issues between the two countries were brought to the fore.

We had pinned great hopes on the outcome of this meeting because it was based on the agreement reached during President No's visit to Japan in May last year. At their summit meeting, the leaders of Korea and Japan agreed to form the ROK-Japan Trade and Industrial Technology Cooperation Committee for the purpose of diffusing the ROK's chronic trade deficit with Japan and problems concerning the hitherto insubstantial industrial technology cooperation between the two countries and searching for effective remedial measures at a government level. However, the prevailing view is that the two-day meeting proved "fruitless" because it avoided touching the core of the subjects, not only on the trade imbalance, the foremost outstanding issue, but also on technological cooperation, a matter of great concern.

Attaching primary importance to the trade imbalance issue, our side demanded that Japan lower the tariffs on 117 items including fishery products, the main line of export, abolish voluntary import restraints on knitwear and sweaters, and increase import quotas on seasoned laver.

True, the Japanese side made what appeared to be a positive response to our demand for the abolition of voluntary knitwear import restraints and increased laver import quotas. Specifically, on the voluntary import restraint issue, the Japanese side indicated that it would call on Japanese firms to withdraw their demand for voluntary import restrictions, and on the laver import quota issue, promised to study ways to increase the quota.

Yi Ki-chu, second assistant foreign minister and head of the ROK delegation, mentioned these two responses as representing the success of the meeting. According to observers, however, in reality Japan's positive responses on these two issues will do very little to reduce our huge chronic trade imbalance. The reason is that even when Japanese importers lift their voluntary import restrictions, any increase in knitwear exports will hardly be expected due to our lost competitiveness, and that our laver exports to Japan are also shrinking with each passing day.

With regard to the demand for setting up a permanent booth for Korean products which the ROK has made on every opportunity in an attempt to squeeze into the impregnable Japanese distribution market, the Japanese side showed reluctance on the pretext that no adequate site is available. The Japanese side said that when the trade center currently under construction in Osaka is completed, a booth will be allocated to the ROK on a priority basis. But this offer has no particular significance because as a matter of fact, Japan has long pressed for ROK participation in this trade center.

In contrast to the virtually no tangible results produced by the Korean side in the Tokyo conference, the Japanese side strongly demanded that the ROK abandon its policy of diversifying countries from which it imports goods, the last-ditch measures to curb its chronic trade deficit, on the grounds that this policy violates the GATT provisions. Japan also officially requested that the ROK open its market to Japanese trade corporations.

These demands amount to pressing for the removal of the measures the ROK is taking as a last resort in view of the peculiarity of the Korean economy featured by an excessive reliance on Japan for import and the concomitant trade imbalance.

Of the two measures, particularly the policy of diversifying foreign importers of Korean products admittedly has some problem with regard to the international trade norm, but it is a temporary measure being taken with Japan's connivance against the background of the U.S. trade-related pressures and the peculiar Japan-ROK trade relations.

Needless to say, the reason Japan has hitherto raised no questions about the ROK policy of diversification is that Japan has suffered no damage from this policy because the ROK has imported from Japan whatever necessary items, even if they were included in the formal diversification list. However, the Japanese side, despite its full knowledge of this situation, made an issue of the diversification policy alleging that it violates the GATT rules. Concerned officials say that this move on the part of the Japanese side was motivated by an intention to weaken the position of the ROK delegation at the conference and foil the anticipated ROK demands associated with the trade imbalance.

The Japanese demand for complete opening of the market to Japanese trading corporations is probably the most delicate issue which is anticipated to deal a telling blow to Korean trading corporations, not alone the efforts to reduce the trade deficit with Japan. Japanese trading corporations which are currently offering trade brokerage service account for 10 percent of the ROK's imports from Japan with the volume of goods imported through their brokerage exceeding three times that of exports. It is a well-known fact that these corporations have played a decisive role in the ROK trade deficit with Japan.

But, at the Tokyo conference the Japanese side argued that if the market is open completely to Japanese trading corporations, the ROK's exports to Japan will increase. Assistant Foreign Minister Yi, head delegate of our side, said "there is some reason in it," a remark suggesting that he fell in line with the Japanese stand. We even got the impression that the conference proceeded unilaterally at the pace of the Japanese.

There is a consensus of opinion that the conference ended up a case of going for wool and coming home shorn partly because of a lack of preparation on the part of our side and partly because of its immature negotiating ability. Observers point out that the demands made by our side at the conference remained at the level of triviality way out of proportion to the acuteness of the snowballing trade deficit and other issues, as well as the primary purpose of the conference, namely, trade and industrial technology cooperation.

Therefore, experts pointed out that in order for the ROK-Japan Trade and Industrial Technology Cooperation Committee to be raised onto the level of a channel of consultation both in name and reality designed to iron out outstanding issues, it is necessary to reshuffle the committee members and search for a new conference strategy.

Fund Established for Trade Deficit With Japan

SK0509031691 Seoul YONHAP in English 0124 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (YONHAP)—Deputy Prime Minister Choe Kak-kyu said Wednesday the government would release 200 billion won in special fund for exporters to fight the snowballing trade deficit with Japan.

Choe, emerging from a meeting in which economic ministers discussed measures to protect international balance, said the Trade and Industry Ministry would select fund recipients.

South Korea had a deficit of 5.9 billion U.S. dollars in its trade with Japan last year and 4.6 billion dollars in the first half of this year.

The government would not revive the export loan system, under which big firms can use loans to buy locally produced materials or half-finished or finished goods for export, said Choe, who is also economic planning minister.

The terms of foreign currency loans would be stricter from 1992 to curb machinery imports, the chief economic policy-maker said.

Predicting a trade deficit with China of 800 million to 1 billion dollars this year, due largely to China's discriminatory tariffs, he said Seoul would soon conclude a trade agreement with Beijing.

To calm the construction boom, which has caused massive imports, the government will build 600,000 housing units, 100,000 fewer than planned, he said.

The government will temporarily ban the demolition of old buildings and construction of new ones on their sites.

Apartment projects will be postponed until the year-end in areas where sales are sluggish and the government will ask builders with permits to start construction of 20-story or higher buildings in october or later to put off the start until the end of the year.

Companies Seek Permission for Projects in SRV

SK0509034191 Seoul YONHAP in English
0139 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (YONHAP)—Two South Korean companies have applied for government permission to set up joint ventures in Vietnam, which lacks diplomatic ties with South Korea, though one of them is still looking for a partner.

Daesung Electric Wire Co. and the Ho Chi Minh City Communications Administration have agreed to form a 50:50 joint venture and Daesung will build a cable factory as soon it gets a government permission, according to a company official.

The Psarojected Vietnamese Plant would make 2.4 million U.S. dollars of communications cables next year and increase capacity to 3.6 million dollars by 1994, he predicted.

Korea Mulsan Co. has 2 million dollars it wants to invest in a joint-venture factory to make artificial cotton wool for skiwear and has sent two executives to Vietnam to find a partner, a company official said.

The company wants to build a factory with a capacity of 2 million yards of cotton wool a month on the outskirts of the Vietnamese capital by the year-end, he said.

Company Plans Automobile Plant in Vietnam

SK0409045791 Seoul THE KOREA HERALD
in English 4 Sep 91 p 6

[From the "Industrial Notes" column]

[Text] Saeil Heavy Industrial Co. of Korea has established an automobile factory in Vietnam and will soon produce commercial vehicles, industry sources said.

Saeil, a subsidiary of Tongil Group, set up Mekong Corp., the first automaker in Vietnam, in a joint venture with the Vietnamese government through locally-incorporated subsidiaries in Japan and the Philippines.

Post-War Exports to Middle East Rallying

SK0409005591 Seoul YONHAP in English
0002 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—South Korean exports to the Middle East are recovering from the Gulf war shock and will reach 2.9 billion U.S. dollars by the end of the year, up 11.5 percent from 1990, the Korea Trade Promotion Corp. (Kotra) predicted Wednesday.

The state-run company tallied shipments to the region at 1,407 million U.S. dollars in the first half of the year, up 7.6 percent from the same six-month period last year. Major export items included cars, transport vehicles and electronic and electric parts.

Kotra expected exports to the Middle East will get stronger in the second half of the year.

Exports by Korean companies between March, after the end of Gulf war, and July, were counted at 707.67 million dollars.

Stock Market To Open to Foreigners Jan '92

SK0409041891 Seoul YONHAP in English
0158 GMT 4 Sep 91

[Text] Seoul, Aug. 4 (OANA-YONHAP)—Foreigners will be eligible to own 6.9 trillion won (9.45 billion U.S. dollars) of South Korean shares at today's average price when the Korean stock market opens to them on a limited basis in January, securities industry sources said Wednesday.

Since only about 30 percent of shares are in circulation, this amounts to 25 percent of those circulated on the Korea Stock Exchange (KSE). If the money flowed into the bourse all at once, it could create a serious stir.

The total value of all shares on the KSE is currently 90 trillion won and the ceiling for foreigner ownership is 10 percent of all listed shares.

Foreigners have already invested 2.58 trillion won in 56 joint ventures, and own over 10 percent of their shares. They have invested 310 billion won through the Korea fund and other funds for foreigners, and invested in overseas securities issued by Korean companies.

Of the 56 joint-venture companies, foreigners own more than 10 percent of the equity shares of 42 companies and there is no room for foreigners to buy additional shares in those companies on the stock market.

Among the 42 are Hyundai Motor Co., where foreign equity accounts for 17 percent, Korea Kuwait Banking Corp. with 34.7 percent and Hankook Shell Oil Co. with 50 percent.

DLP Approves Budget; Official Criticizes Policy

SK0409034691 Seoul THE KOREA HERALD in English 4 Sep 91 p 2

[Text] The government and its party yesterday agreed in principle to raise next year's government funds for the development of rural areas by 400 billion won to 2,200 billion won, a party official said.

The Democratic Liberal Party [DLP], however, approved the administration-proposed budget bill for fiscal 1992 scaled at 33,505 billion won (roughly $45.9 billion), up 24.2 percent from this year, without modification, said So Sang-mok, chairman of the party's Policy Council for Economy.

The decision was made at a meeting between government and DLP officials, So told reporters. He said the extra 400 billion won for rural development will be raised by slashing the same amount of money in such sectors as farmland and state-owned forestry management.

Both sides also agreed to trim 60 billion won in the government-proposed expenditure for salaries for public servants and 100 billion won in railway projects in urban areas.

The 160 billion won to be saved will be spent in fulfilling the ruling party's 1988 campaign pledges such as tighter control on environmental pollution, promotion of the people's welfare and technology development, So said.

Nonetheless, party officials said there may be no change to the government plan to raise the pay of public officials by 12.7 percent in the new year.

DLP officials urged that the administration cut the number of public servants it plans to recruit next year to mobilize funds for pay raises.

The government also should scale down its plan to construct new buildings in Seoul, adjacent Kwachon and Tunsan in Taejon to ease an office space shortage, they said.

Ruling party officials have been calling for less government spending to help resolve economic difficulties such as the growing trade deficit and rising inflation which is already at an alarming level. According to government statistics, trade deficits amounted to as much as $9.58 billion between Jan. 1 and Aug. 20, compared with $4.8 billion last year.

Domestic consumer prices soared 8.3 percent in the January-August period, threatening to undermine the foundation for economic stability.

In a related development, ruling party Co-chairman Pak Tae-chun criticized the government's economic policy.

The incumbent Sixth Republic was inaugurated with an unprecedented trade surplus of $15 billion, but the nation may record a trade deficit of $10 billion next year, he was quoted as saying at a meeting of party officials Monday.

Pak, also chairman of Pohang Iron and Steel Co., reportedly called for an overhaul of the economic policy.

Besides, controversy erupted among government agencies over the size of national defense spending for fiscal 1992. The fiscal year starts Jan. 1.

The Defense Ministry had reportedly requested a 24.7 percent hike in defense spending to 9,654.3 billion won, which accounts for 30 percent of the total expenditure next year.

But the Economic Planning Board which is responsible for coordinating economic policies has curbed it at a 12.3 percent rise.

This year's defense spending constitutes 25 percent of the total budget, 31,400 billion won, including two supplementary budgets.

Construction Boom Added to Trade Deficit

SK0409051491 Seoul THE KOREA TIMES in English 4 Sep 91 p 10

[Text] The construction boom accounted for 18 percent of the nation's total imports in the first half of this year, according to a report by the state-run Korea Development Bank.

The bank said the boom has produced many negative effects in domestic economic growth. It said booming construction has contributed to the widening in trade deficits, slowed the industrial restructuring process, put pressure on labor costs and inflation.

The report said the construction sector accounted for 12.9 percent of Korea's gross domestic product (GDP)—total output of goods and services produced in a country minus foreign income—last year, compared with 7.4 percent in 1987.

Construction investment accounted for 20.9 percent of total investment in 1990, compared with 13.2 percent in 1987.

It noted that the construction boom has created pent-up demand for low value-added non-ferrous metal & primary products and steel, most of which came from foreign countries.

Instead of importing high-technology products, Korea had to import such construction-related material, thus slowing the country's move toward industrial restructuring, it said.

Private Investment in Social Infrastructure

SK0409080391 Seoul YONHAP in English 0731 GMT 4 Sep 91

[Text] Seoul, Sept. 4 (YONHAP)—The government of South Korea has drafted legislation to increase private investment in social infrastructure to make up for its lack of sufficient budget and plans to send the bill to the National Assembly this fall, a source on the presidential task force for social overhead capital investment planning said Wednesday.

Under the 22-article bill, private companies are allowed to build roads, railways, airports, harbors, parking facilities, power stations, sewage and waste disposal plants, and parks on city-, province- or state-owned land without paying anything.

They can charge for use of the facilities and are exempt from provincial taxes and the tax on profits from real estate. Banks will be encouraged to invest in the projects or lend money to finance them.

Companies set up to carry out the projects will be free from the government's control of bank loans.

The radical measures were sought to ease the growing strain on the social infrastructure, he said.

The proposal has already triggered heated debate.

As infrastructure projects are usually big, only powerful conglomerates could undertake them and the law may be used to their advantage, critics say.

Current laws forbid private firms from owning real estate for non-business purposes, so this law could fan land speculation, they say.

Korea will need 39 trillion won in social overhead capital by 1996, Prof. Choe Sang-chol of Seoul National University's graduate school of business and economy said Wednesday in a debate at the Korea Development Institute.

He said the government could not avoid raising taxes to secure the money. The debate was attended by members of the task force, scholars, businessmen and journalists.

Domestic-Made Defense Products Preferred

SK0509024891 Seoul THE KOREA HERALD in English 5 Sep 91 p 3

[Text] The Defense Ministry is working out measures to encourage domestic development and production of defense items, to reduce imports of major defense goods and parts.

Vice Defense Ministry Kwon Yong-hae said yesterday that the ministry will encourage private defense industries to spearhead development of advanced defense items while limiting the role of the state-run Agency for Defense Development (ADD).

In addition, the ministry will introduce a main contractor system, under which the major contractor company, not the ADD, will select subcontractors when a contract is made between the government and private firms, Kwon said.

When this formula is introduced, it will inspire not only the nation's 83 defense firms but also other small and medium-sized firms producing electronics, optical goods, computers and new materials.

Meeting with 83 representatives of defense industries, Kwon noted that Korea had not achieved a sufficient level of technology and depends heavily on foreign parts and technology.

This is partly due to the ADD-guided research and development formula over the past 20 years, which has resulted in passive participation of private defense industries in developing new items, Kwon said.

The ministry, therefore, plans to replace imports of defense items with domestic development and production, which will increase domestic defense industries' operating rate, he said.

He said the ministry also plans to increase the ratio of defense research and development fund to the whole defense budg?hrom 2.6 percent this year to five percent by the year 2000, adding the ratio will be increased up to seven percent.

Kwon also said that the ministry is considering import of hi-tech defense technology from the Soviet Union and other Eastern European countries because of tight technology protectionism in Western nations.

Some 46 percent of the defense items for the Korean military is imported, mostly from the United States and European nations.

Defense sources said the ministry is seeking [illegible] establish "new military power" through procurement of advanced weapons and improvement of traditional arsenal, instead of qualitative improvement of defense capabilities designed to catch up with North Korean military power.

Sources at defense industries have long demanded that the Defense Ministry refrain from purchasing foreign weapons and instead encourage them to develop necessary technology in order to raise the ratio of self-sufficiency.

Suggestions have recently been made that the government should take steps for growth of the domestic defense industry and development of defense-related technology.

Defense Minister on Military Service Changes

SK0509095891 Seoul YONHAP in English 0937 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (OANA-YONHAP)—South Korea will stop recruiting reserve conscripts from 1993 and reduce mandatory military service periods by two to five months, Defense Minister Yi Chong-ku announced Thursday.

The reserve conscript units will be completely disbanded by mid-1994, ending a program begun in April 1969. The adjustments will reduce the 830,000-man military size to about 700,000.

Army and Marine Corp. recruits will serve 26 months instead of 30, Navy 30 months instead of 32, and Air Force 30 months instead of 35, Yi said.

The announcement comes after repeated calls by economic and civilian bodies to cut back the country's defense budget. Defense authorities have been very cool to the idea, claiming it is too early considering the military tension between South and North Korea.

Some 147,000 reserve conscripts at military bases will be replaced by active servicemen, and the other 36,000 conscripts dispatched to police stations and ward offices will be replaced by riot policemen and government employees, according to the ministry plan.

Initial plans called for even shorter service periods, Yi said. "When the confrontational tension eases between South and North Korea, the government could reduce the size of active military manpower as well as the service time," the defense minister said.

There has been a growing call to disband reserve conscript forces because of widespread negative effects. There were reports of irregularities as draftees tried to enter the less rigorous conscript force.

The unbalanced population distribution has also been causing unbalance in the reserve conscript forces between cities.

Recruitments of the reserve conscripts will continue until the end of 1992, Yi said. The excessive manpower resulting from the disbandment of the reserve forces will be solved through the shortened service period, he said.

The mandatory service period has been adjusted number of times in the past. Reserve conscripts used to serve a year in 1974, then 14 months from 1982 and 18 months from 1986.

Army and Marine Corp. soldiers used to serve as long as 36 months between 1955 and 1959. The service time was last reduced to 30 months in 1980.

President No on Riot Control Techniques

SK3108061991 Seoul YONHAP in English 0502 GMT 31 Aug 91

[Text] Seoul, Aug. 31 (YONHAP)—President No Tae-u instructed the National Police Administration Saturday to find better ways to effectively counter demonstrations as radical students might resort to violence during the second semester.

No gave the instruction after being briefed by Police Administrator Kim Won-hwan. The president visited the Police Administration to mark the first 100 days of the upgrading of its upgrading from National Police Headquarters. [sentence as received]

No said the police should also do their utmost to keep order and root out criminal organizations to prevent crime.

Survey on Demonstrations, Understanding of North

SK0109081491 Seoul CHUNGANG ILBO in Korean 29 Aug 91 p 23

[From the "Feature Corner" column: "Dice"]

[Text] A poll taken by the police shows that there are more people who believe that the fringe opposition movement is conducive to social development (49%) than people who view it from a negative perspective (24%). The poll also shows that more than half of the respondents believe that the fringe opposition movement should be allowed to become part of legitimate political circles.

According to the poll of 2,650 people from 20-25 August by the police and Gallup Korea, the majority of the people (84%) take violent demonstrations seriously and believe that there are behind-the-scenes wire pulling forces responsible for violent demonstrations (80%). Nearly half of those polled (49%) opposed restricting the people's right to assemble because of the abovementioned negative aspects.

About one-third of the respondents believe that the labor movement is favorable to economic development and 45% find businessmen more responsible than the working people in labor disputes.

Meanwhile, 75% of those polled think that the domestic leftist force is small (75%); 46% believe that the leftist force has ties with North Korea and communists; and 18% regard them as a force struggling to achieve democratization.

According to the poll results, 65% replied that they are not informed well about realities in North Korea, and 37% believe the domestic reports on North Korea to be unreliable.

Brunei, Malaysia & Singapore

Malaysia

King, Queen Begin 12-Day Visit to PRC, ROK

BK0509091091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 5 Sep 91

[Text] Their majesties, the King Sultan Azlan Shah and the Queen Tuanku Bainun today left for a 12-day state visit to China and South Korea. On hand to see them off at the Royal Malaysian Air Force base in Kuala Lumpur were the Prime Minister Datuk Sri Dr. Mahathir Mohamed and Cabinet ministers.

Their majesties will be granted a ceremonial welcome in Beijing tomorrow and attend a state banquet hosted in their honor by the Chinese President Yang Shangkun. The royal couple will grant an audience to the Chinese premier on Saturday.

They will also visit the province of Xinjiang, Kashgar, Xian, and Shanxi. Their 30-member entourage includes Minister-in-Attendance Datuk Lim Ah Lek, who is Human Resources Minister.

Their majesties leave for Seoul on 12 September for a five-day visit to South Korea.

Leaders Congratulate Vietnam on National Day

BK0209112091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 2 Sep 91

[Text] His Majesty the King Sultan Azlan Shah has sent a congratulatory message to Vietnemese president Vo Chi Cong on the occasion of his country's national day. In his message his majesty expressed the hope that Vietnam will continue to enjoy peace, progress, and prosperity.

Prime Minister Datuk Sri Dr. Mahathir Mohamed conveyed a similar message to the Vietnamese Chairman of the Council of Ministers Vo Van Kiet.

Foreign Minister Datuk Abdullah Haji Ahmad Badawi, in his message to his counterpart Nguyen Manh Cam, hoped the two countries could contribute toward [word indistinct] durable peace and stability in the region.

Singapore

Goh Gives Postelection News Conference 1 Sep

BK0209122091 Singapore THE STRAITS TIMES in English 2 Sep 91 p 1

[By Bertha Henson]

[Text] Government Parliamentary Committees [GPCs] will be removed in a move by the People's Action Party [PAP] MPs [Members of Parliament] to close ranks against the opposition in the new Parliament, said the Prime Minister [PM].

Speaking at an early morning post-election press conference yesterday, Mr Goh Chok Tong said that the PAP would now act like a conventional governing party in a bipartisan system, as was the case in Commonwealth countries.

"Politics will now become more like politics in other countries where there are two parties. Instead of having consensus, it is now confrontational," he said.

Another change which Singaporeans could expect: the wards which voted for the opposition, especially Potong Pasir, should no longer expect the same level of attention from the PAP as before.

It made no sense for the PAP to keep on "buttering" Potong Pasir, which it lost to Singapore Democratic Party [SDP] chief Chiam See Tong in 1984, as that did not translate into votes, he said.

A clearly disappointed Mr Goh made it clear that he was reluctant to make such a move, but was responding to the voters' signal that they wanted politics to be played differently.

The PM was flanked by his two deputies, Mr Ong Teng Cheong and Brig-Gen (Res) Lee Hsien Loong, who occasionally translated his answers into Mandarin, during the hour-long press conference at the Singapore Conference Hall. He noted that the voters had heeded Mr Chiam's call to treat this election as a by-election, and had voted for opposition candidates whom they thought were credible or "plausible".

The result was that the PAP's share of valid votes slipped by 2.2 percentage points from 1988 to 61 percent, despite his call to Singaporeans to give him a ringing endorsement.

Four of the 81 seats had gone to the opposition—three to the Singapore Democratic Party [SDP] and one to the Workers' Party [WP]. The PAP lost officeholders Seet Ai Mee and Tang Guan Seng, incumbent MP Ng Pock Too, and newcomer Andy Gan. Mr Goh said he could have accepted the loss of a few seats, but had not anticipated the drop in the share of votes, especially since the PAP Government had always delivered the goods and the ground was sweet.

While the results made him wonder if he should modify his consultative style of Government, he was adamant that "politics in Singapore cannot go on as before".

Instead of GPCs, the PAP would revert to the old system of having internal party committees which would discuss issues behind closed doors.

"When we have policies, they would be discussed with PAP MPs and they would serve as internal critics to improve on the policies," said Mr Goh, who is the PAP's First Assistant Secretary-General.

But once the MPs go into the open, we are going to close ranks now. We are not going to see PAP MPs criticising the government anymore. We have to close ranks because now there is another group on the other side."

He said that Mr Chiam, the sole opposition MP in the last Parliament, used to note points made by PAP MPs, who acted as Government critics given the lack of opposition MPs, and used them to his advantage.

Describing Mr Chiam as the leader of the opposition, he added: "The ground rules have changed. Those who are opposed to the Government can now have the official opposition to work through."

"The PAP's self-imposed opposition role is now over. In other words, PAP MPs have no further need to play opposition in Parliament.

"This role will be taken over by Mr Chiam and his opposition Members of Parliament."

The GPC system was one channel which the PAP instituted to serve as a check on the Government and act the role of a constructive opposition.

Comprising PAP backbenchers who are helped by resource panels, the GPCs have been in the forefront of parliamentary debates and have initiated major changes to policies, such as the vehicle quota system and the setting up of a Public Transport Council to look at fare increases.

Asked if he was making a drastic move given that the PAP had lost just four out of 81 seats, Mr Goh replied: "Well, I've been very candid in this election and I've always been very candid. I didn't intend to be hypocritical. I do not intend, if I can help it, to lose more than four seats in future."

If the PAP and its supporters did not close ranks, the opposition would consolidate their position to take over the Government in future, he said.

In the light of his remarks, the Government Whip can be expected to be very much in place to ensure that PAP MPs toe the party line in Parliament. As GPC chairman Arthur Beng had said at a recent dialogue, the Whip, while demanding that MPs vote with the Government, had been accommodating towards MPs who wanted to voice differing opinions.

Now, however, PAP MPs can be expected to speak with one voice and to defend Government policies stoutly against charges from the opposition.

As successful candidates held victory parades throughout the island to thank their supporters, the SDP and WP held separate post-election press conferences to outline their future plans.

Both parties said that Mr Goh should not interpret the election results as a rejection of his open and consultative style of government.

At Potong Pasir, Mr Chiam welcomed Mr Goh's statement that the PAP's role would now be that of a conventional governing party, saying that this should mean that the Government would treat the opposition as an equal partner.

The sole WP MP, Mr Low Thia Khiang, who won the Hougang seat, said at his press conference at Allson Hotel that there were other issues, like the rising cost of living, which could have prompted voters to vote against the PAP.

Workers Party Urges PAP to 'Unshackle' Press

BK0309112491 Hong Kong AFP in English 0909 GMT 3 Sep 91

[Text] Singapore, Sept 3 (AFP)—The opposition Workers Party (WP) on Tuesday reaffirmed its pledge to struggle against the ruling People's Action Party (PAP) and fight for Singaporeans' democratic rights.

The leftist party is committed to "unshackle our institutions from political control and to ensure that they function solely as protectors of the citizens' rights from an executive that seeks to trample on the rights of the citizens," WP Secretary-General Joshua Jeyaretnam said in a statement.

Deputy Prime Minister Lee Hsien Loong appealed Monday to opposition parties to play their "enlarged role" in a constructive way, upholding institutions of the state and defending national interests.

For the first time since independence in 1965, four opposition candidates were elected to parliament in general elections Saturday. The WP fielded 13 candidates, of whom all but one lost.

"The institutions of the state, like the presidency, the judiciary, the legislature, the civil service, Singapore Armed Forces (SAF) and police should be upheld, not debased," Lee said.

"The interests of the nation must be defended by both government and opposition," he added.

The WP said that since coming to power in 1959, the PAP viewed the role of such institutions as that of serving the political party in power, saying the "sycophantic institutions that we have in Singapore today deliberately brought about by the PAP are not in the people's interests."

"A glaring case in point is the press, radio and television," the hard-hitting statement said, adding: "The media in Singapore is a national disgrace."

The WP said it would support the PAP if it was prepared to "unshackle its control over our institutions so that they could become institutions of a democratic society worthy of a free people."

It also challenged Lee to a public debate on the role of such institutions in Singapore.

Jeyaretnam did not contest the general election as a ban imposed on him following a court conviction in 1986 expires only in early November.

Cambodia

SNC Success Due to Phnom Penh 'Concessions'

BK0509103391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Sep 91

[Station commentary: "Toward National Reconciliation"]

[Text] The second official meeting of the Supreme National Council [SNC] from 26 to 29 August 1991 in the resort city of Phatthaya, the Kingdom of Thailand, concluded with immense and satisfactory results.

Immense in the sense that all Cambodian parties ended up agreeing with one another on many important key issues which, just a year ago, were seemingly tied up in a Gordian knot. These include the consensus among the antagonistic Cambodian parties on the monitoring of the cease-fire and the cessation of foreign military assistance; the 70 percent demobilization of each party's armed forces; the relations between the SNC and UN Transitional Authority in Cambodia [UNTAC]; and the human rights issue. Agreement on all these previously unthinkable questions was certainly unexpected.

The results are satisfactory because they meet the sacred and compulsory aspirations of our people who want an end to the conflict and misery they have suffered for more than two decades as soon as possible. Our people are satisfied because this Phatthaya meeting has strengthened the mutual trust the Cambodian parties had built up during the first official Phatthaya meeting late last June and during the informal Beijing meeting in the middle of last July. This is a trust which leads to durable peace and stability and guarantees the vital interests of the nation and people, enabling them to feel safe from the danger of the past.

The success of this SNC meeting cannot be separated from the genuine goodwill and great concessions of the various Cambodian parties. Everybody knows that although they control almost 100 percent of the population and territory, the party of the State of Cambodia [SOC] has always been flexible and compromising, basing itself on the ideal of achieving national reconciliation, ending the protracted conflict, and rebuilding the country into an independent, peaceful, democratic, neutral, and nonaligned State free from the recurrence of the causes of the serious and far-reaching calamity to our national society and nation between 1975 and 1979.

Previously, the SOC party proposed that three principles be respected—namely, the maintenance of the political and military status quo; the prevention at all costs from the past danger; and respect for the national sovereignty and right to self-determination of the Cambodian people.

Many remember that on arriving in Phatthaya on 26 August, Comrade Hun Sen, chairman of the SOC Council of Ministers, announced that the SOC would insist that each party's armed forces be demobilizied by 40 percent. However, to arrive at an early settlement, the SOC party agreed to as much as a 70 percent demobilization, with the residual 30 percent being regrouped in specifically designated cantonments under UN control.

Moreover, not long ago some circles contended that the SOC's demand for the term genocide to be included in a political settlement was an attempt to raise an obstacle to the peace process as the Polpotists party would surely oppose it. Why? Because should they acknowledge that there was genocide between 1975 and 1979, they would be condemned according to the 1948 international convention on the prevention and condemnation of genocidal acts. For this reason, at the latest meeting, the SOC party agreed to drop the word genocide, and asked the meeting to find a compromise that all parties would accept and to guarantee the nonrecurrence of the past tragedy.

At the same time, the success of the latest meeting is also inseparable from the support and assistance of the Kingdom of Thailand, the cochairmen of the Paris International Conference on Cambodia, the five permanent members of the UN Security Council, and the Special Representative of the UN Secretary General.

However, because some members of the SNC did not have a realistic stance, this meeting failed to achieve 100 percent of its aims. A number of the SNC members deceitfully demanded that the SOC police force be added to the 70 percent demobilization. This contradicts the Big Five's draft agreement. Timothy Dibuama [head of a UN military mission to Cambodia] in a statement informed the SNC of Cambodia that the UN would either keep a police force or bring in an increasing number of UN personnel.

Some other SNC members at the meeting raised the electoral system as an obstacle, insisting that the elections be held according to a proportional representation system, which contradicts the customs and tradition of our people. Moreover, they even revealed their low opinion of Cambodians when they alluded that the people would not know how to choose their representatives, that they might elect unqualified persons as deputies, and so on. The SOC party and Samdech Sihanouk resolutely opposed that view. In the past, they demanded that there be a neutral environment for elections. Now that there is a neutral environment with the 70 percent demobilization and a delegation of power to the UN for arranging and supervising elections, they insisted on an electoral procedure that is unfamiliar and unintelligible to our people instead.

The Cambodian people would like to recall that our ultimate goal is to have free, democratic, equal, and fair elections under UN control. Therefore, our people's sacred aspiration is to see that the SNC with Samdech Sihanouk in the chair will function effectively and achieve more during its informal session in New York at the end of September and during the third official Phatthaya meeting on 21 October. The Cambodian people would like to appeal to other Cambodian parties to be realistic and to place the common interests of the nation and people above the interests of their own groups. At the same time, our people would like also to appeal to the entire international community to make their best contributions to consolidating the results achieved by the SNC of Cambodia and to turn them into concrete and truly useful endeavors.

Activities Commemorate SRV Aug Revolution

Phnom Penh Meeting Marks Day

BK0309122791 Phnom Penh SPK in English 1112 GMT 3 Sep 91

[Text] Phnom Penh SPK September 3—A meeting was held here last Saturday [31 August] to mark the 46th anniversary of the August Revolution Aug. 19 and the National Day (2 Sept) of the Socialist Republic of Vietnam.

Present at the meeting among others were Sim Ka, alternate Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and secretary of the Phnom Penh Party Committee; Hok Langdi, mayor of Phnom Penh; Prach Sun, president of the party Central Committee's Commission for External Relations; and Soy Keo, deputy defence minister.

The meeting was also attended by Vietnamese Ambassador to Cambodia Ngo Dien.

Addressing the meeting Sim Ka recalled the heroic struggle of the Vietnamese people, who won victory over the French colonialists on August 19, 1945 and founded the Democratic Republic of Vietnam as the first working-class state in Southeast Asia on September 2, 1945.

He also praised the Vietnamese people's victory in 1975 over U.S. aggression, the victory which brought about the national reunification of Vietnam.

"The Cambodian Government and people highly appreciated the achievements recorded by Vietnam in carrying out the political reform in agreement with the present situation in the country and with the people's aspirations," Sim Ka said.

He continued: "The State of Cambodia welcomes the results of the just-ended meeting of the Supreme National Council (SNC) in Phatthaya, regarding them as an important step towards a global political solution to the Cambodian issue.

"We also welcome the presence of a UN military mission to enforce the cease-fire observation and supervise the cessation of all foreign military aid to ensure peace in Cambodia."

"On behalf of the party, government, front and people of Cambodia, I would like to thank the fraternal Vietnamese party, Government and people for their support to the just cause of the Cambodian people, thus contributing to turning Southeast Asia into a zone of peace, friendship, and cooperation."

For his part, Vietnamese Ambassador Ngo Dien said he rejoiced at the positive progress in the search for a political solution to the Cambodian problem. Especially the results of the recent SNC meeting in Phatthaya.

Ngo Dien reaffirmed that Vietnam would continue their efforts together with the other countries concerned to contribute to finding out as early as possible an overall political solution on the principle of respect for Cambodia's sovereignty and the UN Charter.

On the same occasion, a delegation of the party, the state and mass organizations of Cambodia led by Mat Ly, Politburo member of the party Central Committee and vice chairman of the National Assembly, called at the Vietnamese Embassy in Phnom Penh on Aug. 30.

Chea Sim Greets SRV Front Chairman

BK0209115791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 1 Sep 91

[Text] On the 46th anniversary of the SRV's 2 September National Day, Comrade Chea Sim, chairman of the National Assembly of the Kampuchean United Front for National Construction and Defense, sent a congratulatory message to the Comrade Chairman of the Vietnamese Fatherland Front Committee. The message says, in essence:

We would like to express great joy and warmest congratulations for the great victories achieved by the Vietnamese party, state, front, and fraternal people over the past 46 years. The Vietnamese people's August revolution shook the colonialist and militarist systems. These were completely uprooted and dismantled in Indochina. Furthermore, the victory of the Vietnamese people's August revolution greatly influenced the struggle of oppressed people the world over to fight for independence and freedom.

The Cambodian-Vietnamese relations in the struggle against colonialists and imperialists and the toppling of that which caused a serious and immense catastrophe to Cambodian society and the nation in the years between 1975 and 1979 are clearly reflected in the victory, which is linked to the precious ideal of the August revolution.

We have attentively followed with great appreciation the changes, constant development, and all-round achievements scored by the Vietnamese party, state, front, and fraternal people, particularly after the Seventh Congress of the Communist Party of Vietnam.

Taking advantage of this glorious opportunity, we would like to express profound gratitude for the assistance and unswerving support of the Vietnamese party, state, front, and fraternal people, who have sacrificed relatives, husbands, and children for the rebirth of the Cambodian people and for the active support of the national reconciliation policy and the search for a political solution to the Cambodian problem.

We firmly believe that the traditional relations of friendship and solidarity between Cambodia and Vietnam will continue to develop and be further strengthened for the common cause of peace, stability, and prosperity in Indochina, Southeast Asia, and the world.

We wish the Comrade Chairman and the comrades in the Central Committee of the Vietnamese Fatherland Front, and through the Comrade Chairman the fraternal Vietnamese people, good health and continued great successes in every task in this new and historic phase.

Party Journal Marks National Day

BK0309115791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 1 Sep 91

[PRACHEACHON editorial, date not given: "The Spirit of 2 September Is Always Shining in the Cause of Our People's Struggle"]

[Text] Forty-six years ago in their August Revolution movement the Vietnamese people under the leadership of the Great Leader Chairman Ho Chi Minh brought into full play their resolute determination, fighting in a general uprising and overcoming hundreds of thousands of obstacles and difficulties in opposing and crushing all aggressive foreign forces to wrest back national independence and full rights and freedoms for the nation until they achieved permanent territorial unification in 1975.

Progressing from a country that had to rely on a backward agriculture and overcome the serious consequences of decades of destructive war and firmly harnessing itself with the spirit of the August Revolution and 2 September, Vietnam today has experienced a remarkably change in its outlook in the cause of national reconstruction and national defense. It has also been scoring more and greater achievements in the process of its new life-style, political, social, and economic changes.

The initial results of the new economic, cultural, social, political, and diplomatic reforms in line with the resolutions of the sixth congress of the Communist Party of Vietnam [CPV] have positively encouraged the entire Vietnamese party, Army, and people to continue raising the cause of new changes in all fields and from all angles in accordance with the resolutions of the Seventh CPV Congress, which mandates the use of the new economic reforms as the core link for the stabilization and development of the socioeconomic domain between now and the year 2000 in order to incessantly improve and raise the people's living conditions.

Our people will never forget the precious service, the readiness to share weal and woe, and the sincere and timely assistance of the Vietnamese volunteer troops—the best sons of Chairman Ho Chi Minh—who came to liberate the Cambodian people from the danger of the past, contributing actively to the rebirth of the Cambodian nation, helping to prevent the recurrence of the danger from the past, and creating all necessary conditions for the Cambodian armed forces to assume full responsibility for the country's defense following the complete withdrawal of all Vietnamese volunteer troops from Cambodia in September 1989.

Firmly grasping the lessons of the spirit of 2 September at a time when the search for peace in Cambodia reaches its final stage, our people are holding even higher their sense of vigilance against all the psycholgical warfare maneuvers and tactics of the enemy. They are stepping up defense measures and enhancing their strength throughout the country with an aim at protecting all social gains collected during the past 12 years and more. We pledge to strengthen firm solidarity and unity around the party, strive to overcome all temporary difficulties, and continue to shoulder all immediate tasks with confidence in our position of strength and with a high sense of mastery and self-reliance.

Taking part in the celebration of the 46th anniversary of the SRV's national day—2 September—our party, Army, and people pledge to relentlessly foster and develop the bonds of solidarity, friendship, and cooperation between Cambodia and Vietnam, as well as those among Cambodia, Vietnam, and Laos in the interest of the individual countries and for peace, stability, and social progress in Southeast Asia and the world.

Visits, Messages to Flood-Affected Regions

Heng Samrin Visits Victims

BK0209133191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 1 Sep 91

[Text] On the morning of 31 August, a high-ranking party and state delegation led by Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the State of Cambodia's Council of State, visited and distributed aid to the people affected by floods in Kompong Speu Province.

Also included in the delegation were Comrade Sar Kheng, member of party Central Committee Political Bureau, chef de cabinet of the party Central Committee office, and chairman of the Central Organization Commission; Comrade Lieutenant General Ke Kimyan, member of the party Central Committee Secretariat and first deputy defense minister; Comrade Chan Phin, member of the party Central Committee and industry minister; Comrade Do Sohan, member of the party Central Committee and deputy minister of social affairs and war invalids; Comrade Major General Thong Chan, deputy interior minister; and Comrade Kim Seap, deputy communications minister.

Upon arriving in Kompong Speu Province, the high-ranking party and state delegation listened to reports by Comrade Hem Phan, alternate member of the party Central Committee and secretary of the provincial party committee, and Comrade Monh Kosal, chairman of the Kompong Speu Provincial People's Committee, on the damage caused by floods.

Afterwards, Comrade General Secretary Heng Samrin talked to the compatriots affected by floods, stressing that the party and state expressed great regret and shared the hardship of all compatriots. Comrade General Secretary Heng Samrin called on the party and people's committee in the province to continue finding ways and means to stabilize the people's life and restore production work after the floods recede. Comrade General Secretary Heng Samrin added that those affected should be patient and try to find ways to overcome difficulties and, with state assistance, strive to carry on production work with a spirit of mutual assistance during this time of need.

Comrade General Secretary Heng Samrin and the delegation directly distributed aid from the party Central Committee office—which included blankets, cloth, garments, and money worth over 46 million riel—to 3,000 families (1,500 families from Samraong District, 500 from Phnum Sruoch District, and 1,000 from the provincial seat.) Monk's representatives from five monasteries were also among the aid recipients.

Hun Sen Tours Flooded Areas

BK0409130591 Phnom Penh SPK in English 1109 GMT 4 Sep 91

[Text] Phnom Penh SPK September 4—Prime Minister Hun Sen went to Kandal Stoeng District, Kandal Province, Monday to see the consequences of the recent rain floods.

Accompanied by some ministerial officials, Prime Minister Hun Sen visited several places where most of the public buildings were destroyed and the living conditions of the population badly affected by the most severe flood in the Cambodian people's living memory two weeks ago.

Travelling along Highway 3, the cars had to proceed at the slowest speed. Two big bridges were cut off and the road was narrowed by floods, passable only to motorcycles.

A section of Highway 3 from the district office to the surroundings was not passable to cars either, because many big and small bridges on the road were severely damaged. One of the hardest hit communes in the district was Roleang Ken along the Prek Phneou River. The homes of 650 families were flooded and lots and lots of property and more than 200 ha [hectares] of rice crop ruined.

During the prime minister's visit, 16 [metric] tons of rice [were] distributed to the flood victims in Roleang Ken Commune and each family received a package of relief aid containing cloth, clothes and 2,000 riel (Cambodian currency).

Prime Minister Hun Sen said: "Our party and state always share the suffering with our countrymen and will do their utmost to bring life in the disaster areas back to normal."

Representatives of the flood-stricken areas asked the prime minister to provide them with rice seed to sow another rice crop.

As planned 20 [metric] tons of rice seed and a quantity of cash-crop seed were supplied to the commune.

Prime Minister Hun Sen pledged the party and state's assistance to the victims in their farm work. He profoundly thanked charity people in the country and overseas Cambodians, international humanitarian organizations, and some other countries for sending emergency aid to the Cambodian flood victims and appealed to the people across the country to continue giving more assistance to the victims.

On the same day, Prime Minister Hun Sen also visited flood-affected areas in Phnum Penh District, same province.

Lao Leaders Express Sympathy

BK0309051691 Phnom Penh SPK in English 0412 GMT 3 Sep 91

[Text] Phnom Penh SPK September 3—Cambodian party and state leaders have received a message of sympathy from their Lao counterparts over the heavy damage caused by floods in some provinces of the State of Cambodia.

In their message, the Lao leaders expressed heartfelt sympathies over the losses of lives and property caused by the prolonged torrential rains in mid-August to Cambodians in the disaster areas. They expressed the hope that with the Cambodian party and Government's efforts the Cambodian people in the flood-stricken areas would soon overcome all difficulties to bring life back to normal.

Sihanouk Discusses Elections, Armed Forces

BK0409141991 Bangkok Army Television Channel 5 in Thai 1230 GMT 4 Sep 91

[Text] Prince Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, granted an interview at Don Muang Airport today before returning to Beijing, the PRC. He said the meeting of the tripartite factions [as heard] of Cambodia will resume in New York in about the middle of September. This time they will try to achieve a peace settlement and agree on an election system for Cambodia. If there is an agreement, a peace treaty will be signed in Paris later on. If no agreement can be achieved, they will have to hold another meeting in Thailand's Surin Province. Touching on the election issue, the prince said he had been trying to get the two Cambodian sides to compromise.

[Begin Sihanouk recording, in English, in progress] The National Assembly that is elected will then have to decide whether it would like to keep the 30 percent of the former Cambodian armies and include it in the new army of Cambodia—just one, one, [as heard] not four armies—or to dismantle the 30 percent. But we have no hope—I have no hope—of seeing all the Cambodian armed forces dismantled before the elections. Thank you for your attention. [end recording]

Election of 'Liberal Democratic Regime' Urged

BK0309095791 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 3 Aug 91

[Khuon Khemarin's political commentary: "Power Should Rightly Belong to the People"]

[Text] The Communist Party of the Soviet Union, for 70 years regarded as the flag bearer of world communism, has just crumbled. This testifies to the fact that the power to rule in reality does not rest on the lips of any group of despots; it should be wielded by the people who are masters of the country.

In the world nowadays, there remain only four countries that still adhere to communism—namely, China, Cuba, North Korea, and Vietnam—discounting Laos which has been a Vietnamese sycophant since the beginning. Therefore, should all Cambodians continue to stay under the communist regime imposed on the country by Vietnam? All Cambodians should weed out of Cambodia this obsolete regime, roots and trunk included, in the same manner as the Soviet Union has done to its own.

The reason is not only because this so archaic regime is opposed to national reconstruction and causes nothing but steady attrition to the country. It is because this regime is opposed to the return of an independent and sovereign Cambodia with its territorial integrity. The right and just power for Cambodia is a power that springs out of the will of the Cambodian people whose aspiration and instruction should be respected and listened to by the power- holders.

Under the Heng Samrin regime, both the arrangement and delegation of power emanate from Vietnam. Those persons whom Vietnam has assigned to wield power in the communist Heng Samrin regime are all people who have always had an allegiance toward Vietnam and received orders from Vietnamese counsellors. Then, the question is: Can there be any guarantee for the future of the Cambodian people and Cambodia?

During the forthcoming electoral period in Cambodia, all Cambodians should make use of that excellent opportunity to dismantle the framework of the Vietnamese-installed regime and set up a new framework for Cambodia that would guarantee fundamental freedoms for the citizens as a basis to support the self-determined power of the Cambodian people, the masters of the country.

All Cambodians should choose a framework of a ruling regime that would guarantee laws, including the specific stipulation that every four or six years the people would be empowered to conduct reelections in order to decide whether the term of a given government would be extended or terminated. Under the political framework of the Vietnamese-installed communist regime, the Cambodian people have never had a chance to do so. Therefore, in the free elections to be held in conformity with the UN plan that would give Cambodians full opportunity to choose their own political framework, Cambodians should elect a liberal democratic regime that would ensure not only the fundamental rights and freedoms of the citizens but also the independence, sovereignty, and the future of our children for generations to come.

Philippines

Reportage on Bases Treaty Controversy Continues

Senate To Deliberate for One Week

HK2908132291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Aug 91

[By Restie de Quiros of DZRH Unit No. 8]

[Text] The Senate will conduct a one-week marathon session from Monday to Friday [2-6 September] in order to review the new agreement on the military bases. In the caucus held by the senators, it was agreed upon that all of the 23 senators will attend the four-day hearing which will be held by the Senate Committee on Foreign Relations in order to review carefully the 126-page treaty. It was also agreed upon in the caucus that they will increase the number of members of the Senate Foreign Relations Committee by two; where there used to be 17, there will now be 19. The two new members of the committee headed by Senator Shahani are Senators Victor Ziga and Joseph Estrada.

The senators decided that the Shahani committee will be solely responsible for reviewing the treaty which will then be followed by a floor debate in the overall session of the Senate next Monday.

Topics to be discussed in the committee hearing are the following: 2 September, issues on constitutional, foreign policies and sovereignty; 3 September, issues on defense;

4 September, issues on economy, labor and other social issues; and 5 September, issues on education, science, and technology.

Finally on Friday, the senators will cast their votes so the discussions and debates may be brought to the Senate Plenary Session. It is expected that the senators will reach a decision on 10 September, six days before the end of the old military bases agreement.

Maceda Doubts Military Allocation

HK2908131991 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 29 Aug 91

[Text] Senator Ernesto Maceda strongly challenged Foreign Affairs Secretary Raul Manglapus to prove that the new Treaty of Friendship states that the United States will give $150 million each year for the modernization of the Armed Forces of the Philippines [AFP]. Maceda, chairman of the Senate Defense Committee, said he has read the agreement several times but did not come across any firm committment by America to grant excess defense articles as claimed by Manglapus. Here is Jojo Ismael with the details.

[Begin recording] He said Manglapus has a lot to explain. The secretary reportedly placed the credibility of the compensation's nonappropriated portion under question. Maceda mentioned that if he makes the defense aspect of the treaty his basis, he will not be convinced to support the treaty's ratification. He added that the closest thing mentioned regarding the $150 million in military aid is the content of U.S. President George Bush's side letter which stated that he will try his best to include the issue on the excess defense articles for the AFP. [end recording]

Communist Offensive Plan Noted

HK2908093991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Aug 91

[Text] The Philippine National Police [PNP] today revealed a plan by the Communist Party of the Philippines-New People's Army [CPP-NPA] to launch a political and military offensive should the Senate ratify the signed new bases treaty. Details in this report from DZRH Unit No. 22, by Fernan Imberga:

[Begin Imberga recording] The CPP-NPA will launch a political and military offensive should the Senate [word indistinct] the new agreement regarding the retention of the U.S. military bases in the country. This was revealed by the PNP, based on documents seized from the rebels.

According to PNP intelligence chief Director General Gerardo Flores, the CPP-NPA is bound to claim a moral victory in their antibases campaign if the Senate rejects the treaty. Flores also said that the CPP-NPA will ride on the ongoing campaign against the military bases and will reinforce marches, protest actions, and demonstrations which will be undertaken by cause-oriented groups at the height of Senate debates and discourses on the treaty.

Flores also said that the antibases campaign mobilization is in gear, as well as the alliances and unification of different groups, organizations, and individuals who oppose the retention of the U.S. military bases. Flores further added that this plan was discovered based on seized documents bearing the titles: "Present Situation and Important Points of Discussions on the U.S. Bases Issues" and "Plans and Guidelines for Mass Campaigns for the Year 1991". These documents were seized from the headquarters of the Northern Luzon Commission of the CPP-NPA at Camp Venus in Sagada, Mountain Province, which has been controlled by government troops since 30 June 1991. From Camp Crame, together with Janette Francisco, Fernan Imberga, Unit 22, reporting for DZRH. [end recording]

Diplomats on Ratification Importance

HK2908130191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 29 Aug 91

[Text] Two top diplomats stressed today the importance of an early ratification of the treaty. Ambassadors Emmanuel Pelaez and Raul Rabe said the agreement is very important to the country because of the urgent needs of the Philippines at this time. According to Pelaez, the treaty's ratification will help in attracting investors from the United States, Japan, South Korea, and other countries. Pelaez and Rabe were interviewed by Radyo ng Bayan this morning.

Board on Sugar Industry Effects

HK3008131791 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 30 Aug 91

[Text] It is estimated that the sugar industry stands to lose P302 million [Philippine pesos] in the next four years if the U.S. Government decides to cancel the sugar quotas. This was stated by Hemerito Bagabado, special assistant to the Board of the Sugar Regulatory Administration [SRA].

This was disclosed by Bagabado in an interview with DZMM in line with their fears that the sugar industry might give way if the new bases treaty is not ratified. Furthermore, he said that the assessment does not include the loss of the P105-million social amelioration fund for sugar workers. Approximately 250,000 members of the SRA will lose their jobs if the 13 point quota shares are removed. This, Bagabado believes, will worsen the insurrection problem, especially in the Negros.

Bagabado also added that it will not be easy for the country to simply transfer to other foreign markets because the United States pays 50 percent more for the price of sugar. The United States pays about 18 cents per pound of sugar compared to the current 8 to 9 cents on the world market.

Ratification Affects Foreign Debt

HK0309080091 Manila PHILIPPINES NEWSDAY in English 3 Sep 91 pp 1, 2

[By Rexie M. Reyes and Dionisio Tubianosa]

[Text] The Philippine debt panel and the country's foreign commercial bank creditors reached a tentative agreement on a package that will bring in more than $2.3 billion in fresh funds and debt relief over the next six years and reduce the foreign debt by about $1.5 billion.

Central Bank [CB] Governor Jose L. Cuisia, who arrived yesterday from New York where he met with the foreign creditors, said the success of the package will, however, depend largely on the ratification of the RP-U.S. Treaty of Friendship, Cooperation and Security and the "satisfactory resolution" of the Philippine Nuclear Power Plant (PNPP) debt issue.

The bases treaty should be ratified, the CB governor said, to obtain some $800 million to $1 billion from multilateral and bilateral creditors that would be used as collateral for the bonds to be issued by the Philippine government.

Meanwhile, the foreign banks, according to Cuisia, want the PNPP debt papers to be considered valid and available for conversion or for debt buyback options like all the other Philippine debt papers.

Malacanang yesterday expressed optimism that the United States will support the comprehensive debt reduction package agreed in principle between the Philippine debt negotiating panel and the commercial bank creditors.

Executive Secretary Franklin Drilon said President Aquino will send Finance Secretary Jesus Estanislao to Washington in a few days, to see U.S. Treasury Secretary Nicholas Brady to discuss the debt relief package which would need the support of the U.S. government. The U.S. wields a major influence over multilateral financing institutions like the International Monetary Fund and the World Bank.

Cuisia said American support is crucial to the package.

Under this new package, Cuisia said the Philippines will offer its foreign creditor banks three options:

—to lend the Philippines additional funds over the next two years by purchasing newly-issued Philippine bonds or by participating in a co-financing transaction with the Asian Development Bank (ADB); or

—to exchange existing Philippine foreign debt for new bonds, or "hybrid" par bonds, that will mature in 25 years and will carry yields ranging from 5 percent to 6.5 percent from the first year to the maturity of the bonds; or

—to exchange existing debts for new bonds, also known as temporary interest rate reduction (TIRR) bonds, with a maturity of 15 years with a seven-year grace and interest rates ranging from 4 percent to 13/16th over the London interbank offered rates (LIBOR).

The three bonds to be issued will, respectively, be new money bonds, "hybrid" par bonds and TIRR bonds, Cuisia stated.

A fourth option is the implementation of another debt buyback transaction which Cuisia said would be possible if the multilateral and bilateral creditors provide up to $1 billion in collateral funds.

"This package, by far the most favorable achieved to date by any large debtor country, will deal with our commercial bank debt problem in a comprehensive and lasting manner," the CB chief said.

Should all the foreign banks join the new package, Cuisia said the country's $5.3 billion medium- and long-term commercial bank debt will be converted into bonds.

"The agreement provides us with longer repayment terms, lower interest rates, less interest collateral and effectively extends the grace period," he said.

Some sectors, however, claimed that these options would not help the economy in the long run since they limit the country's chances of getting fresh funds from the banks in the future.

Freedom from Debt Coalition (FDC) chairman Leonor Briones stated earlier that this package would reduce the amount of additional borrowings the country can make from the foreign banks.

Briones added that this package would be implemented in the context of the Brady Initiative which is based on the voluntary cooperation of the banks. Such a plan would never take off, she said, because the banks will be given the final decision as to whether or not they will join the package.

Four Senators Want Debt Relief

HK0409012391 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 3 Sep 91

[Text] Four senators are prepared to support the new bases treaty in exchange for a substantial debt relief for the Philippines and an additional 1 billion Philippine pesos to our garment quota in the U.S. market. The four senators are Majority Floor Leader Teofisto Guingona Jr.; and Senators Butz Aquino, Alberto Romulo, and Heherson Alvarez. Guingona wants to reduce our debt servicing while Alvarez wants an additional $1 billion for our garment quota [figure as heard]. Aquino is interested in a $10 billion debt relief within 10 years and Romulo is for $11.3 billion debt relief.

Meanwhile, Foreign Affairs Secretary Raul Manglapus clarified the issue on submitting the treaty to the people in the face of a rejection by the Senate. According to

Manglapus, the Senate's rejection of the treaty will mean that it would not be submitted to the people for the necessary ratification.

More on Debt Relief Issue

HK0209092691 Quezon City MALAYA in English 31 Aug 91 pp 1, 2

[By Marie Rose Feliciano]

[Text] The debt relief package President Aquino is seeking from U.S. President George Bush calls for a one-shot foreign debt reduction of at least $1 billion of the country's $28.5 billion foreign debt.

Press Secretary Horacio Paredes spoke of a "10-digit figure" but said Malacanang is withholding details on the proposed debt relief package because the U.S. government is still studying the proposal.

Sen. Alberto Romulo (LDP) [Struggle of the Filipino Democrat] said he will vote for the ratification of the new RP-U.S. bases treaty if the U.S. condones the country's debts as it did Poland's and Egypt's, and provides a better benefit package for displaced base workers and war veterans.

Executive Secretary Franklin Drilon said the Council of State will meet Wednesday to discuss the new treaty.

As this developed, Rep. Stephen Solarz (Democrat, New York) arrived last night for a personal visit.

"The main purpose of my visit here is to find out how my Filipino friends feel about our bilateral relationship at a moment of real significance for the future of Filipino-American relationship," Solarz said in his arrival statement.

Solarz, who was met by Ambassador Frank Wisner and several embassy staff, told reporters he would meet not only with Philippine senators who are strongly opposed to the ratification of the bases treaty, but also with friends in other sectors, including Speaker Ramon Mitra and Jaime Cardinal Sin.

Other developments:

—The Sugar Regulatory Administration reiterated its warning that the country might lose its 13.5 percent quota of U.S. sugar imports if the treaty is rejected.

—The Ecumenical Movement for National Sovereignty, an association of Catholic and Protestant groups, will kick off an anti-ratification campaign on Sept. 5 at the Philippine Independent Church cathedral. The movement was initiated by the Association of Major Religious Superiors in the Philippines, the United Church of Christ in the Philippines, and the Philippine Independent Church.

—The Freedom from Debt Coalition said the reported debt relief offer will not result in any addition to the total compensation package since there will only be a juggling of accounts. The coalition said debt relief is supposed to materialize through a debt buy-back partly financed by the Economic Support Fund component of the bases package.

—Thirteen (13) mayors of Aambales in a statement, appealed to the senators to ratify the treaty saying a rejection "will close the door to external assistance and international goodwill which would hamper our rehabilitation efforts and inflict further misery and pain to our people."

Drilon, in an ambush interview, said the debt relief package assistance by Mrs. Aquino includes exertion by the U.S. of its influence over commercial banks to provide the Philippines with "resources" to buy back its debt notes.

He said the government is working on commercial back loans because these carry high interests and short-term payment periods.

Asked if the Philippines is seeking terms similar to those granted Poland and Egypt, Drilon said, "We are asking for concessions which would be substantial."

The Paris Club, under pressure from the U.S., condoned half of Poland's $43-billion debts last March. Earlier, the U.S. wrote off Egypt's $7.1-billion debt. The Paris Club groups governments and multilateral lending institutions.

Asked whether debt condonation is included in the proposed debt relief package, Drilon said, "All I can say is that we are asking for concrete debt relief assistance ... We cannot give you the specifics at this point but we are asking for a concrete and substantial debt relief assistance in terms of reducing our debt stock and the interest payments that we have to pay on our debts."

"We are working on the debt relief assistance that the President conveyed to President Bush and we do hope that with the Mt. Pinatubo disaster, our allies will understand our need for concrete assistance in terms of debt relief," he said.

Debt relief was proposed by Mrs. Aquino when U.S. President Bush called up Wednesday to assure the Philippines of continued support following the signing of the bases treaty the day before.

Romulo said: "(With debt relief), I think other senators who are still making up their minds will be persuaded to vote for the treaty."

Romulo was among the 16 senators who voted "No" in the last straw vote on the treaty conducted by Senate President Jovito Salonga. Of the 16, only five are considered hardline anti-bases.

"This may be our last opportunity and leverage to exert pressure on the U.S. and its allies to help us reduce our huge foreign debt," he said in a resolution.

He added: "We should take at full face value President Bush's offer to help the country settle its huge foreign debt. I urge the President and all departments concerned to spare no efforts to persuasively present before the U.S. and its allies the country's case for full, substantial, and immediate debt reduction and debt relief."

Latest Central Bank figures show that of the country's P [Philippine pesos] 28.5 total debts, $6 billion is owed to multilateral creditors, $8.55 billion to bilateral sources; $11.5 billion to banks and other financial institutions; and $2.51 billion, to other sources.

National Referendum Proposed

HK0309121091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Sep 91

[Text] The constitutional question on the authority of senators to ratify the new Treaty of Friendship, Cooperation, and Security between the Philippines and the United States, has been formally presented before the Senate.

In the second day of the public hearing regarding the Republic of the Philippines-U.S. bases treaty, Senator Neptali Gonzalez said that the Constitution and those who outline the said Constitution, gave Congress the chance to ask that the ratification be passed through the Philippine people. According to Senator Gonzalez, this means that the moment the Senate has approved the said treaty it should be presented to the people by way of a national referendum.

Meanwhile, those who do not oppose the bases treaty declared that the said proposal is just a ploy to delay ratification. In this regard Senator Leticia Ramos Shahani, chairman of the Senate Foreign Relations Committee said the resolution must be heard by the committee for it to be valid.

Aquino Defends Rally Decision

HK0509084491 Hong Kong AFP in English 0832 GMT 5 Sep 91

[Text] Manila, Sept 5 (AFP)—Philippine President Corazon Aquino Thursday defended her decision to lead a street rally next week to mobilize support for an endangered military base treaty with the United States, saying it was part of her duties.

"Political leaders should know when to lead and when to follow. On the matter of the prospective rally, the president is responding to calls from a wide range of citizens who support the ratification," the presidential palace said in a statement.

Aquino is to to address a pro-treaty crowd in central Rizal Park here Tuesday as part of her government's aggressive campaign to convince the Philippine Senate to ratify the treaty giving U.S. forces extended access to Subic Naval Base up to the year 2001.

Critics have said it would be unbecoming of a president to lead such a rally.

The Senate is currently holding public hearings on the controversial treaty, which took U.S. and Filipino negotiators 14 months to hammer out.

Based on recent public statements of senators on the issue, the accord is unlikely to get the minimum 16 votes required by the Philippine Constitution for the agreement to become valid.

Aquino also rejected proposals by some of the senators to ratify parts of the treaty and return the rest to the government with instructions to renegotiate.

"The treaty that has been signed cannot be addressed on a piecemeal basis. It is either rejected or ratified in toto," the palace statement said.

Some of the senators currently opposed to the treaty have indicated that they may change their minds if the agreed compensation level to Manila—pegged at 203 million dollars annually—were increased, and if other provisions were amended.

Estrada Suggests Antibases Rally

HK0509095091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Sep 91

[By Restie de Quiros, DZRH Unit 8]

[Text] Senator Joseph Estrada said that he is ready to launch a counter rally if it is necessary, and he will be supported by an antibases group and his supporters in the movie industry. Senator Wigberto Tanada said that it is the right of everyone to attend the planned rally whether he is a government employee or civilian.

Manila Signs Sugar Variety Program With Cuba

HK2801125680 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Aug 91

[Text] The Philippines and Cuba today signed a sugar variety program which will lead to the exchange of technology. This is aimed at increasing sugar production, especially among the local farmers. Under this project, the Philippines can obtain top varieties of sugar from Cuba.

Trade With South Africa To Resume 'Soon'

HK3008110791 Quezon City MALAYA in English 30 Aug 91 p 11

[By Bernie Cahiles]

[Text] The Philippines will soon restore trade relations with South Africa in response to the lifting of its apartheid policy, Trade and Industry Undersecretary Tomas I. Alcantara announced yesterday.

The DTI [Department of Trade & Industry] and the Department of Foreign Affairs, Alcantara said, are working out a system governing import and export of products on a case-to-case basis.

The mechanism, which is expected to be put in place in 90 days, will no longer require importers and exporters to secure clearance in opening letters of credit before trading with South Africa.

The country will import from South Africa steel and phosphate rock which are presently sourced from different countries.

The Philippines imports 200 metric tons of phosphate rock and one million metric tons of basic steel from different countries.

Last year alone, the country's phosphate rock imports totaled $80 million, up from $70 million in 1989. Alcantara said the Philippines will export coconut oil to South Africa, which is a heavy importer of vegetable oil.

In terms of investments, the resumption of trade relations will serve as an opportunity for South African businessmen to invest in the domestic metal industry, mining, ore processing and refining.

COMELEC Urges New Election Law Enactment

HK2808070291 Manila MANILA BULLETIN in English 28 Aug 91 pp 4, 16

[By E. T. Suarez]

[Text] The Commission on Elections (Comelec) appealed to Congress yesterday to give priority to the enactment of a new law that will govern the elections for national and local officials.

The Comelec made the appeal as various political parties expressed fears that with the signing of the new treaty between the Philippines and the United States, the Senate will devote its full time to the deliberations on the treaty, setting aside the discussions on the new election measure which is equally important.

As much as possible, the election bill must be approved by Congress this month to ensure its signing into law by President Aquino next month, thus giving the Comelec a lead time of at least seven months to prepare for the polls.

Commissioner Alfredo Abueg Jr., chairman of the Comelec first division, said it is a must that the new election measure is approved at the earliest possible time so that the implementing guidelines can be drafted for the conduct of political activities.

Abueg said most of the big political parties have scheduled their convention to choose their official candidates for president and other positions in November, but up to now the Comelec cannot come up with the implementing rules and regulations.

"This is so because the implementing guidelines must be based on the new election law," Abueg said.

He said the calendar of activities for the coming elections cannot also be approved without the new election law.

Aquino Names New National Oil Company Chairman

HK3008104691 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Aug 91

[By Dick Sinchongco]

[Text] President Cory Aquino has appointed Monico Jacob, former National Housing Authority general manager, new chairman of the Philippine National Oil Company [PNOC]. Jacob replaced Benjamin Diokno who resigned. Executive Secretary Franklin Drilon said he has instructed Jacob to carry out necessary investigation in the PNOC regarding the reported anomaly in the oil company.

De Villa Orders Military 'Abuses' Investigated

HK3008105591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 30 Aug 91

[Text] Defense Secretary Renato de Villa ordered the military hierarchy to form an investigative body to reinvestigate the Department of Justice findings that military men are guilty of raping women in Marag Valley. Details from Fernan Imberga of DZRH Unit 22 follow:

[Begin Imberga recording] Defense Secretary Renato de Villa ordered the top leaders of the Armed Forces of the Philippines [AFP] to form a high-level investigative body to look into the reported widespread abuses and human rights violations by military men at Marag Valley.

De Villa's orders came in light of the findings made by the Department of Justice [DOJ] probe body that military men were guilty of raping Marag women and blatantly transgressing the human rights of the people of Marag Valley.

Earlier, AFP investigators with members of the Commission of Human Rights conducted an investigation based on the report by AFP Chief of Staff Lisandro Abadia and Army Chief Major General Arturo Enrile. Although the findings of the DOJ were different from those of the military troops, De Villa said the new probe body will conduct a new investigation to avoid any whitewashing. De Villa is also in favor of coordinating with the DOJ to solve the said issue so that justice may be enforced. Regarding the call on the military to compensate for the properties destroyed and lives lost during military operations in Marag Valley, De Villa said the AFP does not have sufficient funds to do this, so he has to coordinate with the civilian government. [end recording]

Navy Chief on Revamp, New Maintenance Commander

HK3008105291 Manila MANILA BULLETIN in English 30 Aug 91 p 8

[By Aris Ilagan]

[Text] Rear Adm. Mariano Dumancas Jr., Philippine Navy chief, announced yesterday a revamp to boost the effectiveness of its operational units.

Dumancas said the Naval Suport Command (NSC) will be turned over by Commodore Plaridel Garcia to Commodore Ruben de la Cruz in simple rites at NSC Headquarters in Fort San Felipe, Cavite City, this morning.

Garcia was named new director of the Naval Systems Development and Management Office (NSDMO) at Navy Headquarters on Roxas Blvd., Manila.

De la Cruz was former commander of Naval District 6 in Zamboanga City. De la Cruz's replacement, however, is not yet known. Capt. Jose Agudelo, former assistant chief of Naval Staff for Operations (N-3), was named new assistant chieff of Naval Staff for Plans and Programs (N-5).

Dumancas also named Capt. Julian Advincula, former Naval Training Command deputy commander, new commanding officer of the Bonifacio Naval Station.

Dumancas said the revamp, which he described as rotation in command and staff positions, will affect other officers and men.

Says Modernization in Progress

HK0209115091 Manila MANILA BULLETIN in English 31 Aug 91 p 5

[By Aris R. Ilagan]

[Text] Fort San Felipe, Cavite City—Rear Admiral Mariano J. Dumancas Jr., Navy chief, said yesterday that the command's procurement program for eight modern gunships costing some P [Philippine pesos] 12 billion is already in its final phase of negotiations with three foreign countries.

In an interview with Dumancas at the Naval Support Command (NSC) here, he said that the negotiations for the acquisition of two logistics support vessels (LSV), three fast attack crafts (FAC) with missiles, and three FACs with Naval gunboats from China, Australia and Spain "are already about to wind up soon."

But due to tight budgetary constraints, he said that the Navy has resorted to "countertrade" to partly finance its 10-year ship acquisition program so as not to derail its modernization.

The three 56-meter FACs with mounted missiles required a downpayment of $5 million. Based on the proposal, one FAC unit will be constructed in Spain while the two others will be built in the country. Each unit will be complete with the needed material and technical packages.

The two LSVs from China, cargo vessels with mounted Navy guns, will be acquired under a five-year credit scheme with a down-payment of $2.747 million.

Dumancas said that the three other Australian-made FACs need an initial payment of $5.58 million.

The national government has already alloted an initial budget of P400 million for the Navy's modernization.

But the other P1-billion funding has not been released because of the recent calamities that had severely affected the country's economy.

"I do not think that our modernization will be shelved because of the recent developments. I think some of them will just be delayed," said Dumancas.

Political Detainees Denounce 'Lightning Raid'

HK3108034591 Manila THE CHRONICLE in English 26 Aug 91 p 3

[By Manny Mogato]

[Text] Political detainees at Camp Crame yesterday denounced the "lightening raid" conducted Saturday morning by police agents and accused national police authorities of concocting a "fantastic tale" on an alleged escape plan in an attempt to foil current legal efforts on their temporary release.

Rafael Baylosis, the alleged secretary general of the banned Communist Party of the Philippines, said the surprise inspection of their Crame cell was "desperate, clumsy attempt to foil my current bid to win temporary freedom from the court."

More than a dozen of police agents swooped down at 7 a.m. Saturday on Camp Crame stockade where Baylosis and 20 other political detainees are being kept for their alleged involvement in the communist underground movement. Director Gerando Flores, the chief of the Philippine National Police directorial staff, ordered the search in the wake of reports of an alleged escape plan by the communist leaders.

The police agents backed by at least six sniffing dogs thoroughly inspected the detention cell for an hour. Books were heavily scrutinized and agents listed every little note, names and phone numbers listed on the pages of the books. Also seized were two computer sets and at least 52 computer diskettes where the grand escape plan was supposed to be stored. Police agents also carted away iron bars and a Swiss knife.

Detainees who were caught surprised by the early-morning inspection, protested the inspection which they claimed was "illegal."

Yesterday, Baylosis and the 20 other political detainees wrote a letter to Flores to formally air their protests. "Let it be noted that the total number of diskettes taken from us have all been returned. But the diskettes allegedly owned by Baylosis which supposed to be containing escape plan was not specified or shown to us. Baylosis could not locate any of the escape plan as alleged by your office."

"Allow me to defend myself appropriately and not be subjected to trial by publicity," stressed Baylosis in a statement issued to defense reporters.

Elimination of Two Major Internal Threats Seen

HK2908071791 Manila PHILIPPINES NEWSDAY in English 29 Aug 91 p 3

[By Fidel F. Asor Jr.]

[Text] The military will deal this year the "final blow" to the communist insurgents and rightist rebels so that it can concentrate on developing its external capability.

Appearing during yesterday's budget hearing, Defense Secretary Renato de Villa said he foresees the elimination of the two major internal threats this year—the communist insurgency and the rightist rebels—this being their top priority.

"The early resolution of our internal security problem is the top priority of the defense department for 1992 so that internal security concerns can be turned over to the Department of Interior and Local Government and the Philippine National Police," De Villa said.

He said the Armed Forces are looking forward to redirecting their efforts and resources to developing the country's external defense capability in view of the tensions in the Asia-Pacific region.

The defense department is asking for a $19.6 billion budget next year, with the bulk going to its modernization program.

"The fight against the communist insurgency is nearing the homestretch," De Villa said.

From a strength of 25,000 regulars in 1988, the insurgents now only number 16,000 regulars, and their arms reduced from 16,000 in 1988 to 11,000 this year, De Villa said.

He foresees an abrupt decline in the insurgency strength this year because of developments in the Soviet Union where the once-powerful Communist Party has been repudiated as a result of the failed coup against President Mikhail Gorbachev.

Military Operation Affects Negros Island NPA

HK2801125580 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Aug 91

[Text] About 294 New People's Army [NPA] rebels have been affected by the three consecutive combat operations launched by the military on Negros Island. Of those affected, 123 were killed, 35 were wounded, 23 were captured, 80 surrendered, and 33 were arrested. Eight NPA camps were raided by military elements in various parts of Negros.

Trade Exports to European Community Increase

HK2908054591 Manila BUSINESS WORLD in English 29 Aug 91 p 2

[By Andrew D. Magsambol]

[Text] Philippine exports to member countries of the European Community (EC) for the first half of the year rose by 16.63% to $831 million, data obtained from the Bureau of Export Trade Promotion (BEPT) reveal.

Imports, on the other hand, from EC, decreased by 3% to $646 million, thereby widening of the trade gap between the country and EC for the said period. The $18-million balance of trade, up from last year's $4 million, was in favor of the Philippines, as in past trends.

The top Philippine exports to EC countries included semi-conductor devices, which comprised 11% of the total; copra (6%); children and infant wear (4.25%); women's wear (4%); and finished electrical and electronic machinery (3.48%). Other major exports were plywood, sports shoes, transmission apparatus and furniture.

The top 20 exports made up 61% of all the commodities exported to EC. The export of these goods, collectively, rose by 57% to $507 million from 4322 last year. Individually, significant increases were recorded in the export of finished electrical and electronic machinery (279%), women's wear (54%) and semi-conductors (39%).

The list of major imports from EC, meanwhile, was topped by electronic integrated circuits, materials used for the manufacture of semi-conductors, bulldozers, telephonic switching apparatus and aircraft.

Thailand

Party Leaders Discuss 'Undemocratic' Constitution

BK0409014991 Bangkok THE NATION in English 4 Sep 91 p A1-A2

[Text] The political leaders of six major parties expressed serious concerns about what they called the "undemocratic" draft constitution yesterday but most of them were cautious about a plan for them to join forces to press for drastic changes to the draft.

They said they prefer lobbying separately through their connections in the National Assembly but said they would send representatives to a "summit" meeting proposed by some former MPs for Sept 6.

During a roundtable discussion organized by THE NATION, top-ranking politicians from the Democrat, Social Action, Solidarity, Phalang Tham, Prachakon Thai and New Aspiration parties seriously questioned the draft's clauses concerning increased power for the Senate, a reduced role for MPs and tougher requirements for amendments to the Constitution.

The draft is being scrutinized by a military-dominated panel following its first-reading passage through the National Assembly last week.

Most of the political leaders strongly criticized the National Peacekeeping Council, which they said must be held responsible if Thailand's new charter turns out to be less democratic than the previous one torn up by the military council in the wake of the Feb 23 coup.

"Whatever kind of constitution we end up with, the NPKC can't deny responsibility," said Suthep Atthakon, deputy leader of the Phalang Tham Party. "If the NPKC men want to be favourably remembered in Thai history, they must make the new constitution democratic.

The participants expressed serious doubts about the claim by the NPKC that it had exerted no influence on the formulation of the new charter.

Prasong Sunsiri, secretary-general of the New Aspiration Party, said the draft reflected the NPKC's "deep fear and mistrust of everything".

By trying to influence the constitution-making process, probably to its own interests, the NPKC was unknowingly edging closer to self-destruction, Prasong said.

He noted that the NPKC had frequently warned against instigation of unrest.

"Thai people are clever," Prasong said. "If they can be instigated, it's the NPKC itself that will make that happen. The NPKC may be triggering a new wave, a huge and strong one."

Solidarity Party leader Bunchu Rotchanasathian described the constitution draft as a mere tool to legitimize military intervention in policies.

"From the beginning, (the NPKC) had no real intention of solving the country's problems. And after it failed to gain a public mandate, it is trying to be supported by law," Bunchu said.

The participants unanimously objected to the charter draft's requirement that any future amendment to the constitution must be endorsed by more than two-thirds of the total 630 MPs and senators.

Under the previous constitution, an amendment needed only simple majority support.

"The Constitution must be hard to amend, of course, but not impossible to amend," said Democrat leader Chuan Likphai.

"The two-third majority requirement," said Prasong, "means that there is only one way to change the (new) constitution—to tear it up. And I think the new power seizure will be different from the past ones—it will not be enforced by guns, tanks or jet fighters. The people are clever enough these days.

The new requirment would give the Senate power to veto any constitutional amendment, in addition to the upper House's right to seek a censure debate against the government.

Senators' duties should be confined to screening legislation passed by the House of Representatives only, the participants agreed.

They also complained about proposed restrictions on MPs, who would not be able to perform their parliamentary duties if they became Cabinet ministers.

The restrictions would prevent a party or alliance with a simple majority in the House of Representatives from becoming a stable government, they said.

Most participants expressed objections to the draft's clause on the so-called Constitution Committee, to be set up to nominate senators and deter vote buying and election rigging.

Prayut Siriphanit, secretary-general of the Social Action Party, described the Constitution Committee as "too dangerous".

Chuan was the only participant who suggested that a chance should be given to the Constitution Committee.

"It would be acceptable if we could make it an effective deterrent to vote buying and if such a body had a clearcut scope of authority and a suitable structure," the Democrat leader said.

Report Details National Economic, Social Plan

BK0209070491 Bangkok THE NATION in English 2 Sep 91 p B20

[Text] The essence of the 7th National Economic and Social Development Plan is formulated around three major policy directives including stable economic growth, income distribution and development of manpower, quality of life and the environment.

The 7th Plan is a master plan which is intended to act as a bible for policy makers to follow in the development of the country in the next five years (1992-1996). The National Economic and Social Development Board (NESDB) argues that for the economy to grow with stability, the country will have to boost its capability in competing with foreign competitors coupled with expanding the domestic market.

Such objectives can only be achieved through deregulating rules and regulations to achieve efficiency, increasing the role of the private sector, expanding economic activities into the provinces to reduce congestion in Bangkok.

The stable growth will have to be backed up with the development of the fiscal and monetary measures to increase savings. The tax system must be restructured to increase the competitiveness of the economy.

The agriculture sector must be mordernized to become more efficient. The policies on land use and fertilizer supply must be clear. The industrial sector must be given less protection to become more efficient and rules and regulations must be relaxed to allow the market force to work better. The development of manpower to boost science and technology capabilities must be speeded up.

There should be new economic areas set up to reduce the present bottleneck where the development should allow participation by the private sector. Rules and regulations should be transparent to ensure efficiency is achieved. There should be a ready supply of energy to meet the demand coupled with conservation efforts. There must be environmental guidelines to pollution on the transport and electricity activities.

There should be basic networks linking Bangkok to a new economic area of the Eastern Seaboard.

The NESDB concludes that the proportion of people living in poverty has not declined at a satisfactory rate. There is increasing inequality between the people, as well as different parts of the country. These unresolved problems would lead to more labour migration into cities. The agency says the opportunities exist to distribute more income during the next five years if the economic growth could be maintained at 8.2 per cent annually resulting in high demand for labour and if the government can form concrete plans.

It says the plans should focus on six groups of people: poor farmers, farm labourers, small businesses, low income salary earners, civil servants and those who cannot help themselves. The agency sets the target to reduce the proportion of the people living below the poverty line from 23.7 per cent in 1988 to less than 20 per cent at the end of 1996.

It highlights the importance of allowing the people in the six groups to become involved more in the development movement and earn a fair income. The policies should emphasize the use of land, credit, education and availability of the infrastructure to boost the quality of life.

There should be policies and measures to help spread ownership of assets and increase production efficiency. The decision making process should be increased at the provincial level while there must be budgetary provisions to support rural development.

The objectives of manpower development are to realign the education and manpower training system in line with the rapid development of the economy, increasing the ability of those people with less opportunity to help themselves to adjust and tackle environmental problems.

The government should provide less fortunate people with financial support to help them get educted. The private sector should play a greater role in the development of manpower, quality of life and environment. The ceiling on fees in private schools should be reviewed while university fees should be raised especially in subjects where there is a greater demand. The private sector and the public sector should join hands in providng training courses. Those responsible for pollution should be made to pay for the damage.

The NESDB says obsolete laws have impeded the development of society and the economy to bring about equal justice in society. Some laws have encouraged officials to abuse them.

The agency proposes the establishment of an organization to reform and carry out research and development in laws.

The agency calls for a greater role for the private sector in the development of the state enterprises and ongoing efforts to make such enterprises more efficient.

The state enterprises are estimated to be investing Bt760 billion during the 7th Plan. The privatization programmes should be carried out to break the monopoly and there should be concessions granted or joint venture investment. Shares should be sold to the public or through private placement for the private sector or staff to hold equity states.

Apart from the general reform to make the state enterprises more commercially-oriented, the pricing of goods and services should be set to reflect the market environment.

To make the privatization work, there should be extensive public relations campaigns to boost understanding among the public. There should be incentives for related people such as allowing staff of state enterprises to hold shares. Laws and regulations should be amended to allow the private sector greater management flexibility. State enterprises should be converted into limited companies.

The plan notes that the civil service system is beset with the brain drain problem especially in specialized area because low pay and lack of working flexibility.

The agency suggests among others that five percent of the budget should be set aside to develop the structure of manpower and salaries. The salaries should be restructured according to the situation in the labour market.

Commentary Views Plan

BK0309043591 Bangkok THE NATION in English 3 Sep 91 p B1

[Commentary: "Plan: Time To Get Away From Vicious Cycle"]

[Text] When the Cabinet today debates the 7th National Economic and Social Development Plan, it may be an appropriate moment to consider how the National Economic and Social Development Board [NESBD] can be equipped with the task of drawing up more concrete and far-sighted national goals.

The 7th Plan (1992-96) is unfortunately a collection of recommended policies and measures which had mostly been implemented before. But it gives little thought to where Thailand should be in the next five years and how the policy-makers and ministries and the people should gear themselves towards the challenges ahead.

The lack of farsightedness can be attributed to the shortcomings in monitoring various policies and in giving critical explanations to why the past policies have failed or to complement with the national objectives.

On the one hand, NESDB should be commended to list in the 7th Plan, priority objectives such as stable growth, distribution of income and upgrading the quality of life and the environment. They are timely and most welcome.

But, on the other hand, there were little efforts in the 7th Plan to explain why much of the same policies had failed in the past and why this time around the people of Thailand should expect anything different.

A critical appraisal of the work of the government and the ministries will be the only means to ensure that a vision with practicality and flexibility can be drawn up. We must get away from the vicious cycle of setting national goals with the same policies. In this complex world, it is not enough just to say what should be done. The questions are how to do it and if one can't what are the other options.

Another drawback of the present system is that the planning is done from the top with the NESDB acting as the initiator and the ministries as the practitioners. Often ministries pick up bits and pieces of the Plan and implement them in isolation.

Looking at the other side of the coin, however, the ministries, which are familiar with the nitty gritty, undoubtedly know what the practical problems are and are familiar with the areas of development. They are well-placed to set their own plans according to the wishes of the people and most directly at the problems.

The bottom-up approach will only work if the low levels are taught how to formulate plans and contingent plans in national development. One minister has already mentioned that it is a great shame despite our overall development that we cannot even supply water to 87 percent of the population.

The input from the ministries will enable the NESDB to work out a master plan which should not be ambitious but humble and dynamic. The planning done at ministerial level will also help the planning agency to effectively monitor the results of the policies and suggest alternatives when they run into obstacles.

One of the most controversial objectives in the 7th Plan is undoubtedly income distribution. It is an objective which certainly cannot be achieved in five years. But the 7th Plan does not tell us how much greater income equality we should expect during this period.

The Anan government has clear economic objectives in efficiency, equality and sustained development. Much of what's being done now reads too much like policy prescription outlined in the 7th Plan. But these are policies of an "interim reform" government which still does not tell the people what kind of country Thailand will become if all the policies are similarly adopted by the subsequent governments in the next five years.

It is hoped that Prime Minister Anan Panyachun will also today reassert his earlier suggestion that the NESDB should draw up a 10-year sectorial plan which can clearly define the development of each sector of the economy in a choherent and practical manner. The suggestion will go a long way in clearing up the mess and confusion that the country has got itself into.

Anan Urges Long-Term Angle

BK0409021991 Bangkok THE NATION in English 4 Sep 91 p A1-A2

[Text] Prime Minister Anan Panyarachun yesterday instructed the National Economic and Social Development Board (NESDB) to draw up a comprehensive long-term development plan to prepare the country for increased international economic integration in the future.

Under the plan, the premier suggested that government monopolies in future telecommunications and public utilities projects be curbed to support the country's effort to become the "front line state" of ASEAN by the mid-90s.

Speaking to senior NESDB executives during the deliberation of the Seventh National Economic and Social Development Plan (1992-1996) yesterday, the premier called for more private participation in large-scale infrastructure projects, better management of natural resources, restructuring of the bureaucracy, agricultural reforms and the fight against narcotics.

He said the national planning agency should also monitor economic and social changes on both regional and international fronts so that it can recommend policy adjustments to future governments in accordance with those changes.

These studies should be conducted to supplement the seventh plan, which was endorsed by the ministers at yesterday's meeting. The five-year plan will be implemented at the beginning of next month.

Prime Minister Anan also ordered the NESDB to conduct a critical appraisal of the work of the ministries according to the development plan every year to ensure that the plan is followed up, evaluated and adjusted so that it could respond to changing economic and social conditions.

Phisit Phakkasem, NESDB secretary-general, told a press conference yesterday that the premier instructed the agency to undertake the studies because these issues were complicated and lacked direct agencies to take care of them.

Land use and forest conservation will be a focus of the studies, he noted. The premier also assigned the NESDB to project the future of the farm sector in the next ten years in the event that Thailand becomes and industrialized nation, added Phisit.

Moreover, the restructuring of the bureaucracy and the commercialization of telecommunications to facilitate economic advancement should also be examined. Deputy Prime Minister Pao Sarasin suggested that the plan to get rid of narcotics should also be emphasized.

Communications and Transport Minister Nukun Prachuapmoh reportedly commented during the Cabinet meeting yesterday that the government alone could not shoulder the hefty public investment in telecommunications and infrastructure during the seventh plan which was necessary to achieve the objectives of the plan.

Nukun estimated the total investment to be no less that Bt [Thai baht] 800 billion if the ambitious goals were to be achieved. During the current five-year plan, which is to expire at the end of this month, the government's total expenditure on public utilities and telecommunications was worth only Bt300 billion.

Private investors, Nukun said, should be encouraged to participate in these projects to alleviate the government of its huge investment burden so that more of the state expenditure would be spent on pressing social needs.

The ministers yesterday agreed that at least two percent of the government's annual expenditure budget should be set aside to develop rural areas, supply clean water and create jobs in economically backward regions.

The credit facilities will be adjusted to provide medium and long term loans to improve the efficiency and transform farm production. Moreover, the property tax should be imposed on excess land occupied by landlords, they agreed.

Three Part Roundtable Reviews Anan Government

Part One

BK0209062091 Bangkok THE NATION in English 2 Sep 91 p B1, B20

[Report on a "roundtable discussion" with Banyong Phongphanit senior vice president of Phatthara Thanakit Co Ltd, Kongkiat Ophatwongkan, managing director of Baring Research Ltd, Narongchai Akkhasani, chairman of GF Holdings, Suthichai Yun, editor-in-chief of THE NATION, Dr. Phaichit Uathawikun, minister in the Prime Minister's office, Dr. Amma Siamwalla, president of the Thailand Development Research Institute, Dr Chetsada Loha-Unchit, managing director of Thara Siam Business Information Ltd; part one of three]

[Text] The circumstances under which Anan Panyarachun took over Thailand as the 18th prime minister six months ago were extraordinary, a kind of political accident.

He has been able to employ his charm and wit, with eloquent style, to soothe nervousness about the political instability besetting the country, yet to find the right taste for democracy. Anan did not have any specific economic agenda in hand when he assumed the high office, save for a pledge to provide full support to the free-market economic system, fuelled by the private sector. Yet his interim government has proved that it can accomplish so much in economic reform in so short a time frame.

If that is the case, many people would argue that Anan is heading a reform government. His administration is laying down a groundwork for transparency in the conduct of economic management, particularly in the approval process of major infrastructure projects. Given the legacy of bad government in the previous administration, it is a challenging task for the Anan government to carry on the reform, aimed at setting a new standard of clean conduct and at creating a more competitive environment for the Thai economy.

Without any concern for political backfire in the home front, it has swiftly embarked on sweeping economic reform, freeing the oil sector, liberalizing most industries, except liquor and sugar, cleaning up the environment, introducing the value-added tax (VAT) to take effect by Jan 1992, cutting back the car tax (in spite of the fiasco has accompanied this fateful policy) to create more competition in the automobile industry, taking a firm grip on the country's fiscal and monetary policy for sustained economic growth and lowered inflation, outlawing state enterprise labour unions, and, most importantly, shaking up the capital market by the introduction of a Securities Investment Board bill.

What more can one expect from this interim, reform government in the absence of a political mandate from the Thai people? Does this non-elected government really live up to the expectation?

"No, we can do a great deal more. We could have done more to clean up the government. But we just don't know how to do it—with no power base, no guns, no money, no nothing. We exist by the will of God," was the terse remark of Dr Phaichitr Uathawikun, a minister attached to the Office of the Prime Minister, at THE NATION's roundtable discussion on the "Economic Policy under the Anan Government: What does it mean?" His pessimism arose out of the fears that once the general election is called sometime in March or April next year, a new government will be formed to inherit the vicious circle of power struggle and corruption at the expense of the public interest.

He placed emphasis on the straight-forward manner under which the interim government can at best conduct the national affairs. "We want to prove that the government can run the country without corruption, because after five months from now, things will be the same. This is the crucial juncture of Thai history. A goodamn clean government is what we need," Phaichit said.

Rightly, the Thai people deserve a good, clean government. And in the Anan government, they find a collection of, in the words of Dr Narongchai Akkhasani, chairman of GF Holdings, "highly accomplished individuals". Although the interim government is running the country in a difficult environment, in which nobody expects it to have full independence under the watchful eyes of the military junta, it has tackled key economic reforms that otherwise would not have been easily accomplished by any elected government in normal time.

Out of the 35 Cabinet members, 13 carry a Ph.D. title with them. "Probably they are the best educated Cabinet in the world," Narongchai quipped. "Everyone who joined this Cabinet seems to know his own agenda. Either he loves the country or is egoistic." Narongchai then tackled the personality of each Cabinet member. His analysis was crisp, but revealing. It went as follows:

The prime minister is a "super guru" in international affairs. His proposal for the ASEAN Free Trade Area comes at a right timing, and the other ASEAN leaders, though with varying degrees of acceptance, grab the concept that will gradually turn the market of more than 300 million population into a non-tariff area with the free flow of goods and services by the turn of the century. This ambitious proposal will be the bedrock of intra-ASEAN economic cooperation at the 4th ASEAN Summit, to be held in Singapore in January 1992. There Anan, already a popular figure in ASEAN, will represent Thailand in his full element.

Dr Sano Unakun, the Deputy Prime Minister, is the chief economist of the government. In spite of his poor health, he wants to do everything to build up Thailand's economic competitiveness, rewriting the rules of sound conduct in economic management and cleaning up the environment. Dr Chaichit is also an environment crusader. His achievement is the freeing of the oil sector from the bondage of political interference. Dr Saisuri Chutikun, a PM's Office Minister, wants more recognition for Thai women, who deserve equal rights with Thai men in modern-day society. Michai Wirawaidya, another PM's Office Minister, considers AIDS a serious threat to Thailand's security more than a coup d'etat.

Dr Suthi Singsane, the Finance Minister, is an auditor by profession. But the sweeping tax reform over which he is presiding might drive his accounting firm out of business. Dr Wiraphong Ramangkun, Suthi's deputy, is principally interested in putting macroeconomic policy under check. Nukun Prachuapmo, the Transport and Communications Minister, is dubbed as Ting Lee, a Chinese godfather, who wants the best deal for the government by making an offer that no one can refuse.

Dr Anat Aphaphirom, the Agriculture Minister, is a water god, aiming to provide sufficient water resources for the general public. Kosit Panphiamrat wants to turn the rural poor into the rural rich, while At Taolanon looks forward to turning the farm sector into the Charoen Pokphan-style contract farming. Amaret Silaon, the Commerce Minister and a former senior vice president of the Siam Cement Group, sets the priority agenda to go to war against the people in the cement industry. Dr Sippanon Ketuthat, the Industry Minister, is focusing on making sure that factories not releasing pollution into the environment and the petrochemical industry take off as scheduled.

Narongchai stressed that the achievement of the Anan government in economic reform can be attributed to its having a free hand in tackling the fiscal, monetary, trade, oil, tax and environment issues without interference from the National Peace-Keeping Council, which ousted the Chatchai government in the February 23 coup. Significantly, it has so far found no opposition from the private sector in the liberalization of industries on a sweeping scale, although the move comes at the expense of the privileges or monopoly of the businesses.

Where the Anan government has scored poorly so far is in the speeding up of the privatization process of the state enterprises and the tackling of the major infrastructure projects, save for the controversial two-million-line telephone project. Narongchai said the underlying reason has more to do with the nature of how these infrastructure projects were approved in the previous government. Besides, after the coup, the NPKC has delegated 19 generals to the boards of the state enterprises. "But I have to say that the Anan government has been able to do a lot," he said.

Part Two

BK0309040191 Bangkok THE NATION in English 3 Sep 91 p B24

[Report on a "Roundtable Discussion" with Banyong Phongphanit, senior vice president of Phatthara Thanakit Co Ltd; Kongkiat Ophatwongkan, managing director of Baring Research Ltd; Narongchai Akkhasani, chairman of GF Holdings; Suthichai Yun, editor-in-chief of THE NATION, Dr. Phaichit Uathawikun, minister in the prime minister's ofice; Dr. Amma Siamwalla, president of the Thailand Development Research Institute; Dr. Chetsad Loha-Unchit, managing director of Thara Siam Business Information Ltd; part two of three]

[Text] When the Anan administration took office six months ago, it gave the impression that it would be around only temporarily—during the transition from the state of emergency to constitutional democracy; so it began calling itself an interim government or a caretaker government.

But the sweeping measures the Anan administration has introduced so far to overhaul the economic system—from liberalizing the oil sector and most industries, introducing the value-added tax system (VAT), cutting back the car tax or shaking up the capital market by the introduction of a Securities Investment Board bill—lends more weight for it to be considered as a reform government.

At a roundtable discussion on the "Economic Policy under the Anan Government: What Does It Mean?" organized by THE NATION last week, Dr Amma Siamwalla, president of the Thailand Development Research Institute, viewed the Anan administration as a reform government in a special sense. He suggested that since the Anan government is not an elected government, in an era of flowering democracy elsewhere, it cannot take fast, strong action. However, coming to power after a coup and after a legacy of bad government, it bears a burden to reform, he said.

Amma suggested that Thailand underwent two significant periods of reform in its economic regime over the past 10 to 20 years. After Field Marshall Sarit Thanarat took over the country, the administration sketched out a macroeconomic regime, under which the present tax system takes its root. Since then the tax system has not been been drastically changed. Amma said the Anan government's introduction of the VAT by Jan 1992 amounts to "turning the tax system upside down".

Another bulk of reform came between 1973 and 1975, during the strong democratic movements in Thailand. The Sanya government strictly assumed the role of caretaker government, with the National Assembly busy issuing legal reforms. About 90 percent of the country's present legal system come from revolutionary decrees or laws passed during this period, he said.

Amma would like to see more from the Anan government, instead of taking extensive action, the effort to undertake legal reform to lay down a permanent mark in the system, so that the laws would restrain the behaviour of subsequent governments. Otherwise, he said the major liberalizations the Anan government has introduced so far can be reversed "with the stroke of a pen, and then we would be back to square one".

In fact, the Chatchai administration realized the importance of undertaking a legal reform, but it failed to trigger the reform into any significant movement. Michai Ruchuphan, the Deputy Prime Minister of the present government, has been assigned to handle the legal reform, but he is too busy presiding over the drafting of the constitution to have enough time for this ambitious design.

Dr Phaichit Uathawikun, the PM's Office Minister, argued that "interim" is a useful word for the Anan government, for the Thai people are very impatient with long periods. If the government says it will be around for nine months, the people will wait. If it says that it will stay in office for nine years, then they will throw the government out. That was what happened to the Tanin administration in 1977.

Phaichit outlined efficiency, equity and sustainable development as the key words underlying the principal objective of the Anan administration in running the country. The government has introduced several packages to improve the efficiency of the economic system such as the tax reform package, which should be completed by November this year, and the liberalization of various industries to create transparency or competitiveness.

The arrival of the Securities Investment Board bill will be the most ambitious legal undertaking to support the capital market development. Today the Cabinet is expected to deliberate and approve the SIB package, consisting of some 346 articles, before passing it on to the National Assembly for final passage.

Phaichit said oil prices have been fully liberalized and it will be extremely difficult for any subsequent government to reverse the move. Privatization of Thai Airways International and the Electricity Generating Authority of Thailand is underway. Next month the government will work on a system to set electricity prices. Once that is achieved, the government will have taken care of the supply side.

Little emphasis has been placed on the Anan government's record in resolving poverty or improving income distribution. Phaichit said income distribution is long-term in nature, a structural problem that cannot be tackled by merely introducing legislation. On this front, the government has introduced a fund of Bt65 billion to sustain prices or export subsidies.

Another Bt6 billion is earmarked for the provincial administrations, which can reimburse the fund on a yearly basis with the major purposes being to provide potable water to villages, develop labour skills at the grass-root level and preserve the natural environment.

Phaichit pointed out that just 13 per cent of Thai villages receive tap water. The target is to increase, to 70 per cent over the next 10 yeas, the number of Thai villages that receive piped water and the remaining 30 per cent will get potable water. "This is a life and death issue," he said.

As for sustainable development, the Bt500-million environment fund will be unveiled by the Anan administration over the next two weeks. Phaichit said the package will be something the people really want because "they can see and touch the results."

Dr Chetsada Loha-Unchit, managing director of Thara Siam Business Information Ltd, expressed concern whether major liberalization polices would be continued by the next government to ban factories or reverse policies if no laws are made now.

He said since the perception is that of an interim government, the government might be in a hurry to undertake economic reforms without adequately thinking about the consequences. For instance, its attempt to overhaul the car tax system to create more competition in the automobile industry does not take into account pollution or traffic congestion that would become much worse.

Chetsada raised education as a crucial issue that the Anan government appears to have overlooked, although education is the bedrock of national and economic development. He supported the government plan to separate the state universities from the bureaucratic system allowing more flexibility in managing education programmes, but questioned the extent to which this reform can be successful.

He suggested that funding education should be tied to reform programmes. By financially supporting only state universities, the government is being unfair to a system in which private universities are also playing a big role in sharing the government's burden in turning out graduates to meet demand of the workforce, he said.

Chetsada also critized the government's failure to chart out a policy of land resource utilization. A policy should be clear on how land is developed—as office, golf courses, industrial estates, green or residential areas—so that the government can put environmental problems under check.

"Without an education programme, the rural poor will have no chance to improve their quality of living," Chetsada said. "It is better to improve the human capital, which will be with the people throughout their lives and help them improve their earnings."

Part Three

BK0409035391 Bangkok THE NATION in English 4 Sep 91 p B3

[Report on a "roundtable discussion" with Banyong Phongphanit, senior vice president of Phatthara Thanakit Co Ltd; Kongkiat Ophatwongkan, managing director of Baring Research Ltd; Narongchai Akkhasani, chairman of GF Holdings; Suthichai Yun, editor-in-chief of THE NATION; Dr. Phaichit Uathawikun, minister in the Prime Minister's Office; Dr. Amma Siamwalla, president of the Thailand Development Research Institute; and Dr. Chetsad Loha-unchit, managing director of Thara Siam Business Information Ltd—part three of three]

[Text] Ever since the Anan government took office, bearish sentiments have spread through every corner of the stock market.

When Anan Panyarachun became Thailand's 18th prime minister, the SET [Stock Exchange of Thailand] index stood at 787.57, far below its peak of 1,143 in July 1990. Yesterday it closed at 720.78. So, over the past six months of Anan's tenure, the exchange has shed 66.79 points or 8.48 percent of its value. Is political instability surrounding the interim government solely to blame for the jitters?

Not quite. At last week's NATION-sponsored roundtable discussion on "The Economic Policy under the Anan Government: What Does It Mean?", Banyong Phongphanit, senior vice president of Phatra Thanakit Co Ltd, opined that the convulsions of the exchange are structural in nature. He suggested that not enough effort was being exerted by the regulatory authorities to turn the emerging Thai exchange into a developed market.

"The Stock Exchange of Thailand and the Finance Ministry have approached the market with a narrow horizon, taking into account only 300,000 equity investors, 250 or so issuers of securities and 40 brokers, without looking at the broader implications of the economy," he said.

The present structure of the equity market is vulnerable. Of the total Bt784.38 billion in market capitalization, Bt360 billion is held by minority sharehoders, and 45 percent is with foreign investors. Among the minority shareholders, there are about 300,000 speculators, holding Bt90-Bt100 billion in market capitalization.

Without the support of adequate institutional investors, the vulnerable structure had telling impact on an unstable stock market, which could easily be swayed, Banyong said.

He added that the stock market, previously reinforced by the presence of 300 funds, had reported a net outflow in the past 12 months. But this year not a single fund had been established to invest in Thai equities.

In fact, the Securities Investment Board [SIB], a body to supervise, examine, and develop both the primary and secondary markets, including derivative products, options or future markets, should have been created a long time ago, Banyong said. Banyong, who had the opportunity to review the first draft of the SIB bill, felt it was too liberal for the vulnerable market, still in need of regulatory supervision at this juncture.

Yesterday, the Cabinet approved in principle the SIB bill, although some of the details would need further revision, possibly at the subcommittee level in the National Assembly. The Anan government is taking the SIB bill on a fast track, so that it can be legislated to support the capital market development in time during its tenure.

Banyong, however, commended the government's courage in liberalizing several industries, and ending monopoly of certain sectors of the business. The liberalization programme, he said, had received public support, although it meant that several businesses had lost their long-time benefits from the monopoly.

Over the past five or six years, international forces have increasingly built up a presence in the Thai equity market, linked with remote overseas markets. Banyong said the trend toward globalization would, however, eventually push the Thai equity market into the league of the overseas markets.

"This is a structural problem of the market. We need to develop it so that the foreign investors may accept it. We have to leave off nationalism in this case, otherwise we will be isolated. Foreign investors will be a necessary evil in this story," he said.

Banyong cautioned that privatization of the state enterprises should be carefully undertaken, so that it met international standards. If that was not the case, the public subscribing to the state enterprise shares would stand to get hurt by the lack of foreign investor participation in the trading.

Dr Amma Siamwalla, president of the Thailand Development Research Institute, interrupted Banyong's commentary to raise a question about the kind of equity market Thailand wants to develop and the scenario in which Thai companies will operate in the era coming after the family-style management.

He cautioned that the U.S. stock market and the Japanese stock market were not the same, since they belonged to different corporate cultures. While U.S. companies were under pressure to report to shareholders and make profits in short-term gains, Japanese companies, through several layers of cross-shareholdings, were more constrained in charting out their corporate objective without sacrificing the long-term business outlook.

Narongchai Akkhasani, chairman of the GF Holding Group, quickly added that capitalism as understood in Asia and the West was not the same. In the U.S., takeover was a natural way of corporate life, and assets might be chopped for sale without much emotion involved. The Japanese shareholders held shares in companies through an interlocking system, which did not yield to any single party decisive control over the corporations.

"Asian-style capitalism is superior to Western capitalism. But, unfortunately, the Thai laws are not coming out in support of this system," he said.

Dr Kongkiat Opatwongkan, managing director of Baring Research Ltd, criticized the government for its failure to chart a clear course on infrastructure projects and several other policy issues, which had undermined foreign investor confidence.

He said foreign investors were shying away from the Thai stock market, hampered by infrastructure bottlenecks. And nobody knew when they would be removed. Foreign fund managers visiting Bangkok for the first time vowed not to return a second time, because it took them two hours to travel from the airport to their hotels.

Kongkiat said the government had also failed to send a clear message across about crucial policies. For instance, when it sought to introduce the 15 percent withholding tax on savings, it said the measure was aimed at creating greater competition in the banking market, but on the other hand it intended this withholding tax for savings opened at the Government Savings Bank.

Kongkiat said the new car tax structure was not clear, neither was the banking reform which the government said would require banks to be subject to a second tier capital in line with the standards of the Bank for International Settlements.

"The government is reacting to the past. But several policies are not clear. They might be wanting to do a lot of things before the term ends," he said.

On the implementation of infrastructure projects, Dr Phaichit Uathawikun, the PM's Office Minister, said their spectre, a legacy of the previous administration, would come back to haunt the Thai people for a long time to come.

He said the Anan government would try to minimize the damage that might be caused by possible lawsuits from companies receiving overlapping concessions.

Bangkok faces the spectre of five transport projects—the Lavalin skytrain, the Hopewell elevated rail and causeway, the second phase expressway, the Din Daeng-Don Muang tollway and the electric train project of the Bangkok Metropolitan Administration—poorly planned projects designed to relieve traffic congestion.

Phaichit said the physical problem of overlapping projects was a big headache for the government. Negotiations on the technical and financial aspects would have to be done before each project was allowed to proceed.

Editorial Warns Singapore Premier of Overreacting

BK0309032391 Bangkok BANGKOK POST in English 3 Sep 91 p 4

[Editorial: "Goh Chok Tong must listen, but not panic"]

[Text] Singapore Prime Minister Goh Chok Tong will be overreacting if he tightens the political screws again because of the weekend elections. Mr Goh expressed bitter disappointment after four opposition politicans were elected in Saturday's voting. He had asked voters to express confidence in his new "kinder, gentler" manner of government by giving the ruling People's Action Party (PAP) 100 percent of the parliamentary seats. Instead the PAP, in power since 1959, won an overwhelming majority of 77 out of 81 seats in the weekend polls but its share of the total valid vote fell to 61 percent from 63.2 percent in 1988, when the last poll was held. This would be regarded as a landslide win in almost any other country, but then Singapore is not just any other country. In fact the island republic may be unique among world nations in seeing such popular support as a failure of policy.

Mr Goh has the unhappy task of trying to fill the shoes of Mr Lee Kuan Yew, who, in his 31 years as prime minister, often got 100 percent control of parliament. After Saturday's balloting, he said he would "review his style" of government. Most observers took this to mean he was considering reverting to Mr Lee's often authoritarian system. Under the former prime minister, opposition to the PAP was a risky business. Indeed, Singapore's best-known opposition leader, Joshua Jeyaretnam, is still under a five-year political ban and many Singaporeans believe that one of the major reasons Mr Goh called elections two years before his term expired was to avoid an early showdown with this out-spoken veteran. Despite the ban on its leader, Mr Jeyaretnam's Workers' Party won a seat in last Saturday's polls, with three more going to another opposition party, the Singapore Democratic Party of Chiam See Tong.

It is already clear that Mr Goh was exaggerating the "threat" to Singapore of opposition gains at the polls. Businessmen arriving at work yesterday morning in the republic agreed that the outcome of the election was, if anything, conducive to building the economy. Singaporean and foreign business leaders and analysts unanimously discounted Mr Goh's fears that election of four opposition members of parliament would scare off investors or present an image of instability. "Look at Malaysia, Thailand, South Korea," said stock analyst J.T. Poon. "They all have opposition in their respective parliaments and their economies are booming." Mr Poon might have been mixing his tenses slightly in one aspect, but foreign interests generally echoed this upbeat assessment. The Singapore stock market hardly noticed the election.

Obviously, the 2.3 percent drop in PAP poll support was a message to Mr Goh. But perhaps it is the opposite of what he thinks. Singaporeans, like the citizens of many nations, no longer feel they must be protected by a one-party government. Like many, the people of Singapore may feel more comfortable with less government intrusion into their daily lives. It is, indeed, highly possible that Singapore voters were showing their confidence in Mr Goh's "kinder, gentler" system of government by taking advantage of it and spreading their votes to include a loyal opposition.

With a world trend towards personal freedom and liberal democracy, Mr Goh should carefully consider any decision to backtrack. He may feel it is necessary to tighten PAP internal discipline, and limit the practice of allowing criticism of the government by PAP parliamentary backbenchers. This is, rightly, the job of opposition members and the general public in any case. But any move towards past political methods of harassing the opposition would almost certainly be the worst move he could make. Political leaders who grant rights to their people, and then move to withdraw them, seldom fare well in the long run.

Like all nations, Singapore has unique problems. The republic's economic growth this year will be below PAP forecasts. Mr Goh has fought this by involving private businesses in decision-making, and by continuing to encourage foreign investment. There is no sign this is a bad policy. Nor is there any sign that Saturday's election has caused a flicker of the lack of confidence Mr Goh predicted if he failed to win every parliamentary seat. Since virtually every foreign investor in Singapore hails from a country with far more than one-half of one percent of oppositionist in his or her parliament, it is hard to understand the Singapore leader's concern.

Hardliners within the PAP probably will push Mr Goh to try to resume the political style of Mr Lee. The freedom to resist this, however, is clear. More than 60 percent of voters expressed their confidence in Mr Goh's current policies. Such a majority comes to few political leaders in the world. On the face of it, the PAP's mandate and order from the electorate is to continue the present policy—meaning Mr Goh's softer style and increased responsibility for businessmen and other citizens. A decision to reverse this mandate in a panic reaction to a tiny erosion of support should not be take lightly.

Defense Minister on Budget Increase Request

BK0409130191 Bangkok Radio Thailand Network in Thai 1200 GMT 4 Sep 91

[Text] Speaking to reporters today, Defense Minister and Navy Commander Admiral Praphat Kritsanachan said an increase in the defense budget has been sought from the government, but there has been no approval so far. He added that there will no serious impact if the request is not approved. The requested increase was not for the purpose of any major development or modernization program but for routine development.

On the Navy's power to act against piracy, Praphat said the government has assigned the Navy to deal with the piracy problem. Captured pirates will be interrogated first before being handed over to the police for legal action. He said he supports the idea of exchanging captured pirates for detained Thai fishermen, providing that the countries involved are agreeable.

Supreme Command Wants To Buy 38 Fighters

BK0409020591 Bangkok THE NATION in English 4 Sep 91 p A1

[Text] The Supreme Command has sought Cabinet approval to buy a fleet of 38 AMX jet fighters for the Royal Thai Air Force complete with logistics support, technical service, and crew training at a total cost of Bt19.70 billion [Thai baht].

The programme will require budget commitments from December next year until fiscal year 2000.

This is the second time this year that the Supreme Command has put in a strong request for a major defence procurement. The planes would be used to replace aging A-37 and OV-10 aircraft which will be gradually decommissioned.

AMX, a high-performance attack aircraft equipped with Rolls-Royce engines, was considered along with British Aerospace's Hawk and the Tornado, but the Supreme Command eventually selected the newer aircraft.

The procurement proposal was submitted to the secretary general of the Prime Minister's Office this June. Sources said the procurement received initial Cabinet approval, but is pending budgetary allocations.

The decision to buy AMX has surprised the defence industry as Thailand would be the first foreign country to buy the planes, jointly manufactured by Aermacchi and Aeritalia of Italy and Embraer of Brazil. The firms opened their production line in mid-1988 but so far have received orders only from the Italian and Brazilian air forces.

If Thailand goes ahead with the procurement plan, it would have to spend US$757.47 million, or Bt19.70 billion, based on an exchange rate of Bt26 per US dollar. This amount will include an interest rate not exceeding 0.75 percentage point over Libor (London Interbank Offered Rate), the interest rate banks charge one another for use of funds. The applicable Libor rate is the one charged two days before the signing of the contract.

This is another special procurement where the Supreme Command would place an order directly with the manufacturers. The Supreme Command has also sought Bt719.31 million for related expenses on receipts of aircraft delivery and dispatches of air force crew on foreign trips.

The Supreme Command also provided the Defence Ministry with details of the multi-million-baht deal, based on the cost, insurance and freight to Bangkok. The offer remained valid as of July 15, this year.

—Of the total 38 AMX fighters, 26 of them will be single seaters for ground attack, and 12 will be two-seaters, for a cash price of $590.27 million, or Bt15.347 billion.

—The cost of basic spare-parts, ground equipment and other items will be $146.72 million, or Bt3.8 billion.

—The cost of technical documents and literature will be $2.39 million, or Bt62.27 million.

—The cost of technical staff will be $1.62 million, or Bt42.12 million.

—The cost of training of pilots and mechanics in Italy, at $5.2 million, or Bt 135 million.

—The cost of delivery and insurance coverage will be $11.66 million, or Bt303.22 million.

The Supreme Command has proposed payments in eight installments through a confirmed and irrevocable letter of credit, covering $75 million, or Bt1.950 billion on December 1, 1992; $95 million, or Bt2.470 billion on December 1, 1993; $120 million, or Bt3.120 billion on December 1, 1994 but before taking delivery of the first batch of 32 AMX jet fighters; $95 million, or Bt2.470 billion on December 1, 1995 but not before taking delivery of up to 38 aircraft; $95 million, or Bt2.470 billion on December 1, 1996, but not before the completion of all delivery; $95 million, or Bt2.470 billion on December 1, 1997; $95 million, or Bt2.470 billion on December 1, 1998; and $87.87 million, or Bt2.284 billion on December 1, 1999.

The budget commitments would run until the year 2000.

It was not immediately known what weapons systems would be installed on the AMX. But Asian Defence journal pointed out in one of its editions in 1990 that the AMX radar is unsuitable for search and cannot be used to guide the aircraft to a ship target.

The journal reported that the target ship position must be either acquired visually, or reported accurately by a third party, and then the position transmitted by radio to the AMX.

"This gives the AMX pilot a tactical limitation, particualrly in poor visibility, or at night," it cautioned.

Under the deal, the Thai side is required to provide a bank guarantee, to be issued by the Thai Military Bank, covering five per cent of the total value of the contract. The manufacturers will provide a warranty against defects for a period of 12 months or 200 flight hours, or whichever occurs first.

The Supreme Command also sought an exemption for the enforcement of the Prime Minister's Office procurement regulations, claiming that Thailand wanted electronic specifications which are different from those produced by Aermacchi S.P.A. By this, the manufacturers have to take technical risks in producing to new specifications. The risks also cover the period of flight tests.

Unfavourable weather conditions could also mean delays in the flight tests and therefore in delivery of the aircraft.

Deputy Minister Says Army 'Understands' Cuts

BK0309131691 Bangkok Radio Thailand Network in Thai 1200 GMT 3 Sep 91

[Text] Deputy Defense Minister General Wimon Wongwanit said this afternoon at Government House that the National Peace-Keeping Council [NPKC] has assigned national administration tasks to the government, and as a result the NPKC's duties have been reduced since establishment of the National Legislative Assembly. The NPKC also does not have many problems to address to the government.

Speaking on cuts in the Army's budget, Gen. Wimon said the national budget is not big, and therefore the Army cannot expect a big allocation and must take into account the people's poverty, which must be tackled first. The cuts in the Army's budget are partial, and the Army understands the cuts.

159 Vietnamese Fishermen Held in Detention

BK0309010191 Bangkok THE NATION in English 3 Sep 91 p A3

[Text] Thai authorities have arrested 159 Vietnamese fishermen for trespassing into Thai territorial waters and suspected piracy since the beginning of this year, according to a senior regional army chief.

Fourth Army Region Commander Kitti Rattanachaya said yesterday that 16 trawlers had been confiscated.

All of the Vietnamese were being detained in Songkhla, pending legal action.

"The number of piracy cases (in the Gulf of Thailand) has dropped significantly during the past several months.

"This was after the navy stepped up sea and air patrols," Lt Gen Kitti said.

Three of the vessels and their crew were seized last month, he said.

The commander said Thai and Vietnamese authorities would discuss the possibility of an exchange of prisoners.

Several hundred Thai fishermen are being held in Vietnam for illegally entering Vietnamese waters.

Kitti said the Fisheries and the Harbours Departments were discussing a plan to register all of Thailand's estimated 40,000 fishing vessels to allow better monitoring of their movements.

The measure would be part of the effort to curb illegal fishing in other countries' waters, he said.

"We cannot allow the Thai fishing fleet to grow indefinitely without some regulation," the commander said.

Sunthon Meets Singapore Chief of General Staff

BK0309144391 Bangkok Army Television Channel 5 in Thai 1230 GMT 3 Sep 91

[Text] Lieutenant General Winston Choo, chief of the General Staff of the Singapore Armed Forces, is visiting Thailand as a guest of the Thai supreme commander from 2 to 4 September to strengthen friendly ties between the two countries. Lt. Gen. Winston Choo, accompanied by his delegation, today at 0900 paid a courtesy call on Supreme Commander General Sunthon Khongsomphong at the Supreme Command Headquarters. The Thai supreme commander introduced Lt. Gen. Winston Choo to Thailand's high-ranking officers and presented him with a royal decoration—the Most Exalted Order of the White Elephant. The Singapore chief of the General Staff, accompanied by Gen. Sunthon, reviewed the honor guard. Later on they held official consultations at the Supreme Command auditorium.

Engineer Shortage Blocks Economic Development

BK0309093391 Bangkok THE NATION in English 3 Sep 91 p E3

[By Khwanchai Rungfaphaisan]

[Text] The shortage of engineers in Thailand still is the main obstacle blocking developing of Thai construction, manufacturing and computer industries, according to Samit Khamphoemphun, vice president of the Engineering Institute of Thailand.

Samit said telcommunications, construction, computer and manufacturing industries in Thailand are growing, and rapidly, but the country cannot produce enough engineers to keep up with the pace.

The main reasons for Thailand's difficulties are the low-level of effective technology transfer from overseas, high rate of employee turnover in companies and lack of engineers in government research and development institutes, Samit said.

Benefitting from technology transfer is essential to Thai engineers because limited resources mean developing their own technology is difficult, he said. Thais must concentrate on receiving technology information from overseas which they can apply to Thai needs.

Currently, many private companies in Thailand do not emphasize thorough technical training for their employees. The high rate of employee turnover makes them reluctant to invest the time and money in training projects.

Samit also said government research institutes such as the Thailand Institute of Scientific and Technological Research face stiff competition for skilled personnel from private companies.

Samit said the demand for engineers is increasing each year. This year the demand rose by 4,750 people. Of this demand, 3,010 engineers were required by the manufacturing firms, that received Board of Investment privileges; 200 by automobile companies; 250 by petroleum firms; 200 by construction firms; 250 by computer firms; and 250 engineers by electric companies.

But both public and private universities and educational institutes will only be able to produce 4,800 engineers in 1992 and 5,500 in 1997. To meet the demand, Thailand would need to produce 10,000 to 16,500 new engineers per year.

It is obvious therefore that Thailand will need to increase its number of engineering graduates to meet the high demand in the market, Samit said.

Currently Thailand has a population of 55 million, of which 30 million are of working age. The country has only 35,000 engineers, which accounts for only 0.1 percent of the total labour force.

Vietnam

Commentary Hails Normalizing China Relations

BK0409113491 Hanoi Voice of Vietnam in English 1000 GMT 4 Sep 91

[Station commentary]

[Text] Sino-Vietnamese relations continue to develop favorably toward normalization. Chinese Premier Li Peng said that Sino-Vietnamese relations will be normalized in the new future. Our radio commentator has this to say on the development of Sino-Vietnamese relations:

Along fast-changing in the world situation, Sino-Vietnamese has been undergoing major changes toward a positive trend. [as received] In less than a month, Chinese and Vietnamese Deputy Foreign Ministers Xu Dunxin and Nguyen Dy Nien held two secret meetings in Beijing and Bangkok. The two discussed a wide range of issues concerning relations between the two countries, the Cambodian question, and international issues of common concern. These successful meetings contributed positively to narrowing the gap in the relations between the two countries and, at the same time, to seeking a solution to the Cambodian issue.

In its relations to Vietnam, China has been taking significant steps. It has handed to Vietnam 23 Vietnamese nationals detained since 1979. China has responded positively to celebrations of the 46th National Day of Vietnam. Many Chinese leaders have come to the Vietnamese Embassy in Beijing. On this occasion, Chinese [Communications] Minister Huang Zhendong, on behalf of the Chinese Government, expressed the wishes for early normalization of Sino- Vietnamese relations. The same wishes were reiterated by Chinese Prime Minister Li Peng in an interview with the Hong Kong television. He said that Sino-Vietnamese relations will be normalized in the near future. The Chinese Government leader also said that (?acceleration) of a solution to Cambodia is favorable to normalizing Sino-Vietnamese relations.

In Hanoi, high-ranking Vietnamese party and government officials have, on many occasions, reaffirmed their resort to restore the relations between the two countries and Vietnam has taken many actions to realize this cause.

A normalization of Sino-Vietnamese relations conforms to the aspirations of the two peoples. Therefore, the objective of quickly restoring the Sino-Vietnamese relations is being supported by the two peoples. This is also the motive for accelerating the process of normalizing Sino-Vietnamese relations.

Foreign Minister To Visit China

BK0509104191 Hanoi Voice of Vietnam in English 1000 GMT 5 Sept 91

[Text] Vietnamese Foreign Minister Nguyen Manh Cam will pay an official visit to China soon at the invitation of member of the National People's Congress of China and Foreign Minister Qian Qichen. This was announced by the Vietnamese Foreign Ministry on Thursday, 5 September.

Spokesman Hails Improving Relations

BK0509113891 Hanoi Voice of Vietnam in English 1000 GMT 5 Sept 91

[Text] Speaking at the regular press conference in Hanoi on Thursday 5 September, the spokeswoman for the Vietnamese Foreign Ministry, Mrs. Ho The Lan, affirmed that at present the Sino-Vietnamese relations are improving. She further noted that the abnormal relations between Vietnam and China over the past years were not beneficial to the interests of the two countries and regional relations.

She added: The fundamental and long-term interests of the two countries are friendship and cooperation to develop each country and, at the same time, contribute to peace and stability in the region. The spokeswoman maintained that the improved Sino-Vietnamese relations will meet the aspirations and interests of the two countries and conform to the common trends in the Asia-Pacific region—that is, peace and cooperation for development.

Fidel Castro Sends Greetings to Vo Van Kiet

BK0309131391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 Aug 91

[Message of greetings from Fidel Castro, First Secretary of the Communist Party of Cuba and President of the Council of State and Council of Ministers of the Republic of Cuba, to Vo Van Kiet, Chairman of the Council of Ministers]

[Text] On your election as chairman of the SRV Council of Ministers, I am delighted to congratulate you, and I hope you realize many achievements in your formidable duty.

You perform this duty when mankind is facing unprecedented challenges. Our two people and countries have been suffering serious consequences brought on by the international situation.

We are pleased to realize that our two nations are obstinate in moving forward on the road to socialist construction. We understand that the road will be very difficult, but we are encouraged and believe in our current struggle. The principles and flag that we are determined to raise will become more stable and victorious.

Once more, I send you my warmest congratulations. I wish you good health and happiness. May Cuba and Vietnam, which are on correct paths, continue to strengthen their close unity and friendship.

Further Reportage Covers National Day 2 Sep

Leaders Pay Tribute to President

BK0409051291 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 31 Aug 91

[Text] On the occasion of the commemoration of the 46th anniversary of the August Revolution and the 2 September National Day, on 31 August delegations of the Communist Party of Vietnam [CPV] Central Committee, the National Assembly, the Council of State, the Council of Ministers, and the Vietnam Fatherland Front led by comrades Do Muoi, Vo Chi Cong, Phan Van Khai, and Hoang Quoc Viet paid a tribute to President Ho Chi Minh—founder of the Democratic Republic of Vietnam or, as at present, the Socialist Republic of Vietnam—and laid wreaths at his mausoleum.

These delegations also visited and laid wreaths at the Hanoi Mai Dich military cemetery in memory of outstanding sons of the nation who had sacrificed for the fatherland.

On the same day, members of the diplomatic corps and representatives of international organizations in Hanoi also paid a tribute to President Ho Chi Minh at his mausoleum.

Rally To Mark Aug Revolution

BK0209141191 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 Aug 91

[Report on 31 August Hanoi "solemn" meeting to mark the 46th August Revolution anniversary and National Day, 2 September]

[Summary] A solemn mass meeting was held at the Vietnamese-Soviet Cultural, Labor, and Friendship Palace in Hanoi on 31 August by the Hanoi Municipal Party and people's committees and the Fatherland Front Committee to mark the 46th August Revolution anniversary and National Day on 2 September.

Attending the function were comrades Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee; Vo Chi Cong, chairman of the Council of State; Phan Van Khai, member of the CPV Central Committee Political Bureau and vice chairman of the Council of Ministers; Pham The Duyet, member of the CPV Central Committee Political Bureau and secretary of the Hanoi party committee; and Pham Khac Quang, chairman of the Hanoi Fatherland Front Committee. Also attending this meeting were representatives from agencies, sectors, branches, and mass organizations of the central level and in Hanoi, as well as representatives from the armed forces and the Hanoi people.

After an opening speech delivered by Professor Pham Khac Quang, Comrade Pham The Duyet delivered a speech, saying:

[Begin Pham The Duyet recording] Esteemed Comrade Do Muoi, general secretary of the CPV Central Committee; esteemed Comrade Vo Chi Cong, adviser to the CPV Central Committee and chairman of the Council of State; esteemed Comrade Phan Van Khai, member of the CPV Central Committee Political Bureau and vice chairman of the Council of Ministers; dear comrade leaders, distinguished guests, comrades, and friends:

Fourty-six years ago at the Ba Dinh Square on 2 September 1945, great patriot Nguyen Ai Quoc—our esteemed beloved President Ho Chi Minh—on behalf of the provisional revolutionary government and countrymen throughout the nation, made a solemn declaration before the world that Vietnam has the right to enjoy freedom and independence, that in reality Vietnam has attained this, and that the Vietnamese throughout the country are determined to make the utmost spiritual and material efforts and sacrifice their lives and property to firmly defend this freedom and independence. This strong statement made at the emergence of the Democratic Republic of Vietnam in the past still reverberates and will continue to do so. It is the brilliant historic day of our people which ushered in the new era of our fatherland—the era of independence, freedom, and determination to overcome poverty and backwardness to lead our nation to catch up with modern civilization of mankind.

Realities in the past 46 years have helped us draw on many valuable lessons concerning mobilizing and integrating progressive forces at home and abroad, on seizing the opportunity to rise up, on guiding the movement to mobilize the people's strength, on disseminating the truth that national construction and defense is the people's cause, on consolidating the close relationship between the party and the masses, and on strenthening the people's singlemindedness in overcoming all obstacles in our path. To continue to carry out and develop our nation's tradition of heroism, the Seventh CPV Congress has once again asserted the path charted by the August Revolution and has set forth the lines, objectives, and tasks of our entire party and people to continue to carry out national construction and defense in the new situation, to accelerate the comprehensive renovation undertaking, to build an authentic democratic and disciplined society, to vigorously develop the multicomponent commodity-based economy along the socialist path, and to implement the foreign policy of openness and of befriending all countries in the international community that are struggling for peace, independence, and progress.

Coming into being following the August Revolution, and protected by the flesh and bone of the people, our state will undoubtedly develop into a perfect, authentic state of the people, by the people, and for the people—a state that maintains a close relationship with the people, strengthens its efficacy in protecting the people's legitimate interests; and opposes bureaucratism, corruption, authoritarianism, irresponsibility, and violation of the citizens' democratic rights. Under any circumstances, the Vietnamese people are determined to defend national independence and sovereignty, protect the revolutionary gains, and persistently build a strong state and firm socialism. The Vietnamese characteristics, spirit, tradition, and willpower have been integrated into the strength of our all-people great unity, which our party and Uncle Ho spent much time and energy to build and forge. [end recording]

After recounting and confirming the glorious history of the August Revolution 46 years ago, Comrade Pham The Duyet said that the capital of Hanoi is the heart of the nation, and the people of Hanoi have lived with that honor in the enthusiastic and heroic days of the August Revolution. The Hanoi party committee and people are striving to make Hanoi a political, economic, cultural, and technological center of the nation. In the past five years the people of Hanoi have enthusiastically implemented the renovation undertaking with important initial achievements. The political situation and national security in the capital are stable. The economy is progressing positively where the subsidized system is mostly abolished and the multi-sector commodity economy is improving gradually. The material and spiritual life of the people has been improved. Many new infrastructural projects have been upgraded or newly-built to better serve production and life.

After that, Comrade Pham The Duyet pointed out the shortcomings and weaknesses that must be corrected by the party and people. He said:

[Begin Pham The Duyet recording] In all areas, the city still has many shortcomings. The economy is developing slowly. Many economic units are not run effectively. The unemployment rate is still high. The lives of the wage earners, social welfare recipients, and the unemployed are not improving. The cultural, health care, and educational work is declining in many aspects. Social morality is deteriorating. Corruption is still common. Security and social safety are still complicated. The city, party, state, and organization mechanisms are still heavy and ineffective. The working attitude in many government offices is still bureaucratic, uncaring, and unrealistic.

The city people and party are determined to overcome those shortcomings to quickly apply the sense and content of the Seventh National Party Congress resolutions into life. It is necessary to first solve these pressing problems:

One, difficulties must be solved to accelerate industrial, small industry, and export production; continue developing agricultural production, especially food production, in the outer suburbs; rearrange the trading and service system; broaden foreign trade; strive to accomplish the 1991 socioeconomic targets; guarantee regular supplies of water, electricity, food, and fuel in order to control inflation on consumption goods; and fulfill material needs and provide jobs for the public.

Two, the capital must upgrade its cultural, health care, educational, and sports work; overcome difficulties to start the 1991-92 school year successfully; build a civilized social and family lifestyle; and intensify the sanitary movement in the capital.

Three, the capital must develop democracy in public life. The people must strictly observe the state laws and be determined to strengthen security and social safety. Lawbreakers must be correctly punished and educational work must be carried out to prevent crime. Anticorruption work must be accelerated, and cases of negativism must be discovered quickly and correctly dealt with. City planning must be improved.

Together with efforts to solve these pressing problems, we must successfully organize the second-round party congresses at all levels to confirm the duties of party committees and the city people and to further develop the city in the future.

Developing their tradition, the people of the city are determined to unite with a sense of self-sufficiency to implement the renovation with firm steps so they can successfully implement the socioeconomic targets outlined by the Seventh National Party Congress. [end recording]

The meeting to mark the 46th anniversary of the August Revolution and 2 September National Day concluded in an atmosphere of pride, confidence, and unity.

Delegations Pay Tribute

BK3108154391 Hanoi VNA in English 1512 GMT 31 Aug 91

[Text] Hanoi VNA August 31—On the occasion of the 46th anniversary of the August 1945 Revolution and national day, delegations of the Communist Party Central Committee, the National Assembly, the State Council, the Council of Ministers and the Vietnam Fatherland Front Central Committee, respectively led by party General Secretary Do Muoi, President Vo Chi Cong, First Vice-Chairman Phan Van Khai and honorary President Hoang Quoc Viet paid floral tributes to President Ho Chi Minh at his mausoleum here this morning.

They also paid floral tributes to fallen soldiers at the Mai Dich cemetery on the same day.

Members of the diplomatic corps and international organizations in Hanoi also paid homage to the late president.

Vo Tran Chi Attends Celebration

BK0409140791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Sep 91

[Text] According to a Ho Chi Minh City-based correspondent, this morning [1 September] the Ho Chi Minh City party committee, people's committee, and Fatherland Front committee organized a grand meeting to mark the 46th anniversary of the August Revolution and the 2 September National Day.

Before attending the meeting, the delegates paid a floral tribute at the monument to President Ho Chi Minh in the city park to show their appreciation for his great services.

Comrade Vo Tran Chi, member of the Political Bureau and secretary of the Ho Chi Minh City party committee, attended the wreath-laying ceremony and National Day meeting.

Comrade Le Khac Binh, chairman of the city people's council, delivered a speech pointing out the important significance of the August Revolution and the 2 September National Day as well as the great services that President Ho Chi Minh has rendered in saving our nation from the yoke of domination, in opening an era of independence and freedom for our people, and in establishing the first democratic people's administration in Southeast Asia.

Over the past 46 years, under the leadership of the Communist Party of Vietnam [CPV], our people have scored many great achievements, further enhancing the prestige of our nation; however, in the course of the revolution, we have also committed a number of serious mistakes and shortcomings. The sixth and seventh party congresses have pointed out the strong points and shortcomings and have set forth a renovative line to steadily advance the cause of our people along the socialist path, in the light of Marxism-Leninism and Ho Chi Minh thought, and in compliance with Uncle Ho's motto of unity, unity, great unity and success, success, and great success.

Meeting Held in Ho Chi Minh City

BK0109151591 Hanoi VNA in English 1443 GMT 1 Sep 91

[Text] Hanoi VNA Sept. 1—A mass meeting was held in Ho Chi Minh City this morning by the Party Committee, the People's Committee, the People's Council and the Fatherland Front Committee of the city to celebrate the 46th August Revolution anniversary (August 19) and the National Day (September 2).

In his commemorate speech, Le Khac Binh, chairman of the People's Council of the city, said: "Over the past five years, implementing the renovation policy, Ho Chi Minh City has recorded an annual increase by 5.6 percent for the GNP and 4.7 percent for per capita income. Industrial and handicraft production increased 6.5 percent yearly. Food production in rice equivalent increased by 32.2 percent over 1980. Exports and imports saw an annual increase of 34 percent in the 1986-1990 period. 109 permits have been issued to foreign investors with a total capital of usd 576 million and 24 million roubles. In five years 28,000 jobs were procured.

The plan calls for an annual economic growth by 8 to 10 percent in the next five years."

Also today a floral tribute was made at the monument to President Ho Chi Minh in front of the office of the People's Committee.

Tomorrow, the Party Committee, the People's Council Committee, the People's Committee and the Fatherland Front of the city will pay a floral tribute at the cemetery of war heroes.

Pham The Duyet Attends Ceremony

BK0409140591 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Sep 91

[Text] This morning, 1 September, the Hanoi cultural and information service organized a ceremony to set a plaque at House No. 107 Tran Hung Dao Street, Hanoi, which witnessed the formation of the Hoang Dieu National Salvation Self-Defense Unit on 25 August 1945 and which was the scene of a visit by President Ho Chi Minh on 27 September 1945.

Comrade Pham The Duyet, member of the Political Bureau and secretary of the Hanoi municipal party committee, attended the ceremony.

The participants, including many people who had joined the August 1945 General Uprising, recalled the historic traditions and seething revolutionary atmosphere in the capital city of Hanoi in the old days and turned their thoughts to those who lost their lives for national independence and freedom.

The participants pledged their determination to constantly build Hanoi into a beautiful city, thus showing themselves worthy of the expectations of their predecessors.

Chinese People Cross Border

BK0409034091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Sep 91

[Text] On 2 September, Cao Bang province organized cultural, artistic, and sport activities in localities to celebrate the Vietnamese National Day anniversary. In Cao Bang City, a photo exhibition was held to present the successes of the Seventh Communist Party of Vietnam [CPV] Congress and the recent Eighth National Assembly's ninth session.

On the same day, thousands of Chinese people crossed the border into Ha Quang, Tra Linh, and Quang Hoa districts to celebrate the National Day with the Vietnamese people. Many Chinese groups came from Napo, (?Sharenzhai), and Longhe districts of Guangzi Province to extend best wishes to the Vietnamese people.

Foreign Countries Mark Day

BK0409071091 Hanoi VNA in English 0557 GMT 4 Sep 91

[Text] Hanoi VNA Sept.4—A get-together was organized in Moscow Monday by the Union of Soviet Societies of Friendship and Cultural Relations with Foreign Countries (USSF) and the Soviet-Vietnamese Friendship Society (SVFS) to mark the 46th national day of Vietnam (Sept.2).

Among those present were S. Svetsova, vice-president of the USSF presidium and Y.Sychov, vice-president of the SVFS.

Taking the floor, Nguyen Van Khieu, charge d'affaires of Vietnam to the Soviet Union, thanked the Soviet people for their sincere feelings toward Vietnam and wished the Vietnamese-Soviet cooperative relations constant development.

On this occasion, the Soviet television screened documentary films and art performances of Vietnam.

In Laos a 1000-strong meeting was held in Vientiane on Sept. 2 by the Lao Ministry of Information and Culture, the Lao-Vietnamese Friendship Association and the Vietnamese embassy in honour of the anniversary.

Attending the function were Udom Khathigna, politburo member of the Lao People's Revolutionary Party (LPRP) and secretary of the party committee and mayor of Vientiane, and Vietnamese ambassador Nguyen Xuan.

Speaking at the meeting Udom Khathigna praised the traditional solidarity and special friendship between the two peoples as an important factor for the success of the revolution in each country at present as well as in the future.

Also on that day, mass media in Vientiane had special programmes highlighting the achievements recorded by the Vietnamese people in all domains.

A meeting was held in Phnom Penh on August 31 for the same purpose.

Vietnamese ambassador to Cambodia Ngo Dien was present at the presidium of the meeting.

Sim Kar, alternate member of the political bureau of the People's Revolutionary Party of Kampuchea and secretary of the party committee of Phnom Penh, delivered a speech hailing Vietnam's efforts to actively contribute to the cause of peace, stability and cooperation in South-East Asia and the rest of the world.

He expressed the Cambodian party, government and people's profound gratitude to the Vietnamese party, government and people for their wholehearted support and assistance to the just cause of Cambodia.

On this occasion, a delegation of the party, government and the United Front for Construction and Defence of the Kampuchean Fatherland led by Math Ly, politburo member of the PRPK, vice chairman of the National Assembly, called at the Vietnamese embassy in Phnom Penh.

Leaders Send Greetings to Malaysia

BK0309154091 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 30 Aug 91

[Text] On the 34th National Day of Malaysia, 30 August, Vo Chi Cong, chairman of the Council State, sent greetings to Malaysian King Azlan Shah. On the same day, Vo Van Kiet, chairman of the Council of Ministers, sent greetings to Malaysian Prime Minister Datuk Sri Mahathir Mohamed. On this occasion, Nguyen Manh Cam, minister of foreign affairs, also sent greetings to his Malaysian counterpart Datuk Abdullah Ahmad Badawi.

Lee Quang Dao Receives Catholic Archbishop

BK0209150291 Hanoi VNA in English 1434 GMT 2 Sep 91

[Text] Hanoi VNA Sept 2—Cardinal Bernard Law, archbishop of the Boston Diccese, and his delegation visited Vietnam from August 28 to September 3. This morning, the group called home of the late late Vietnamese president.

Cardinal Bernard Law and his party were received by vice-president of the Council of State and Chairman of the National Assembly Le Quang Dao. Chairman Le Quang Dao welcomed the cardinal's visit and reaffirmed Vietnam's consistent policy of respecting the freedom of belief of the people and expressed the wish that the relations between the two countries would soon normalise for the benefits of the two peoples and peace and stability in the region and across the world.

Cardinal Bernard Law thanked the Vietnamese state for the warm hospitality and expressed the wish that the Vietnamese people and Catholic community would succeed in building a more beautiful Vietnam. He also expressed wishes for early normalisation of U.S.-Vietnam relations.

During his visit the cardinal was received by Foreign Minister Nguyen Manh Cam and met with the Foreign Ministry and the government committee for religions, the Vietnam-U.S. Association, and the people's committees of Ho Chi Minh, Hanoi, Haiphong and Long An . The group also met with Catholic priests and rank-and-file in the said localities. On September 1st the cardinal and Vietnamsese bishops held a mass at the grand cathedral of Hanoi to pray for the prosperity and happiness of the Vietnamese on the occassion of Vietnam's 46th national day.

The group left Hanoi on September 3.

Le Phuoc Tho Attends Thai Binh Party Congress

BK0309101391 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 27 Aug 91

[Text] Thai Binh Province held its second round party organization congress on 26 August with the participation of more than 300 delegates representing 80,000 party members from 900 basic party organizations attached to the 14 provincial party organizations. Comrade Le Phuoc Tho, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and secretary of the party Central Committee, attended the congress.

During the past five years, the provincial party organization and people have attached much importance to developing agriculture and production. As a result, the cultivated acreage has been increased by 5.5 percent annually. The province has attained a good yield with the past seven rice crop seasons. The average rice yield of the 1986-90 five-year period was almost 76 quintals per hectare per year, exceeding the plan norm set by the previous provincial party organization congress by almost six percent. During the 1989-90 two-year period, the province attained the output of 86-88 quintals per hectare, or a per capita rice yield of almost 500 kg. Moreover, industrial, small industrial, and handicraft production, as well as the circulation and distribution of goods, are making progress in accordance with the new mechanism and have scored initial achievements.

Noteworthy is that the development of the multicomponent commodity-based economy has contributed to providing jobs for tens of thousands of workers and reducing the natural population growth of the province by 1.72 percent in 1990.

Interpol President Visits Hanoi 24-29 Aug

BK0109083991 Hanoi VNA in English 0559 GMT 1 Sep 91

[Text] Hanoi VNA Sept. 1st—I. Van Barbot, president of the International Criminal Police Organization (Interpol), visited Vietnam from August 24-29 at the invitation of the Vietnamese Ministry of the Interior.

Mr. Barbot had exchanges of views with leading officials of the Ministry of the Interior and the General Police Department and inquired into the organization and mode of operation of the crime investigation and suppression police in a number of localities.

He was received on separate occasions by Phan Van Khai, Political Bureau member of the Communist Party of Vietnam Central Committee [CPV CC], first vice chairman of the Council of Ministers and Bui Thien Ngo, Politburo member of the CPV CC and minister of the interior. Mr. Barbot pledged to help Vietnam join Interpol at an early date. French ambassador Claude Blanchemaison was present at the receptions.

Kien Giang Disciplines 544 Party Members

BK0509094391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Sep 91

[Text] To strengthen the party before the second round congresses at three levels, Kien Giang Province this year took disciplinary action against 544 party members, including one member from the provincial party committee, 24 district and town party committee members, and 97 party committee members of grass-roots organizations. The province has also stripped 351 people of party memberships. The province has 235 new party members this year.

At the moment, the provincial party committee is focussing on guiding party criticism and self-criticism, and in getting opinions contributed to the second round party congresses report.

The success of the second round party congresses must be attached to the satisfactory implementation of the local socioeconomic targets. This will revive the seventh national party congress.

Vinh Phu Settles Thousands in New Economic Zones

BK0509053891 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Sep 91

[Text] In the 1986-1990 five-year period, Vinh Phu Province arranged for 19,200 people, including 8,300 people of working age, to settle in new economic zones of the province.

The new settlements formed five independent cooperatives and 12 production groups to work with the local teams.

The people in new economic zones have been planting wetland rice crop, tea, manioc, and cinnamon. They built and upgraded nearly 40 km of public roads. They set up five irrigation dams, one hydroelectricity power station, 12 schoolrooms, five medical aid stations, seven health service centers, and so forth.

In 1991, the Vinh Phu Province People's Committee continued to move 750 families with 3,700 people, including 1,500 people of working age, to build new economic zones with the total capital investment of 518 million dong.

Nguyen Van Linh Visits Factories

BK0309113591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 27 Aug 91

[Text] Recently, Comrade Nguyen Van Linh, advisor to the party Central Committee, visited the Tan Binh Cooking Oil Factory and the Saigon Brewery. The two factories belong to the Ministry of Agriculture and Food Industry and they have been running effectively. The factories have contributed a lot of money to the state budget, and at the same time they look after their workers' conditions very well.

At the Tan Binh Cooking Oil Factory, Comrade Than Van Hieu, manager of the factory, reported to Comrade Nguyen Van Linh on its business situation, especially on main issues which have been dealt successfully by the factory such as: working capital, marketing, foreign currency earning, supplying of raw materials, and so forth.

In the last two years, under the new management system which links production with market demand, the Tan Binh Cooking Oil Factory has been ahead of other enterprises of the Vegetable Oil Federated Enterprise in production, export value, and contribution to the state budget. The factory has also built 200 oil-pressing units in Duc Hoa of Long An Province and Trang Bang of Tay Ninh Province so raw material can be processed at the source. This year, the factory has exported 1,400 tonnes of oil of different kind with the total value of 1.2 million dollars.

Comrade Nguyen Van Linh praised cadres and workers of the factory for their good implementation of the lines of the Sixth National Party Congress. He also urged the factory to continue its good work in production so it can better implement the renovation of the Seventh National Party Congress.

At the Saigon Brewery, Comrade Hoang Chinh Quy, general manager of the No. 2 Alcohol, Beer, and Soft Drink Federated Enterprise and manager of the brewery, reported to Comrade Nguyen Van Linh on the business results of the brewery.

Comrade Nguyen Van Linh hailed the cadres, staff, and workers of the brewery for their incentive in their work. Considering the condition of old equipment and machines, they have maintained and developed production satisfactorily. They have also tried to renew equipment to expand production, meeting consumption demands from the public.

Comrade Nguyen Van Linh analyzed the current international situation and reminded cadres and staff of the brewery to heighten political awareness, to absolutely believe in the party leadership, and to strongly fight back propaganda from reactionaries and opportunists.

He also reminded the brewery management to take care of the material and spiritual lives of its workers so the brewery can set up an exemplary model for the beer and soft drink production industry.

VNA Releases 1986-91 Economic Indicators

BK0209090891 Hanoi VNA in English 0618 GMT 2 Sep 91

[Text] Hanoi VNA September 2—Vietnam has made significant economic achievements over the past five years. Following are major indicators:

Gross National Product (G.N.P) increased by 4.8 percent and national income, by 3.6 percent.

Food output posted an increase of 3.5 percent. Last year, Vietnam obtained 21.54 million tonnes of food (in paddy equivalent), 3.16 tonnes more than in 1986. In 1990, per capita food production was 325.4 kilos, 25 kilos more than in 1986. In particular, the country exported 1.5 million tonnes of rice in 1990 while in 1986 it had to buy from abroad 450,000 tonnes.

In 1990, more than 11,600 more hectares was put under rubber and 48,000 tonnes of latex was obtained, 30,000 tonnes for export.

In 1990, Vietnam had 2,928,700 buffaloes (271,000 more than 1986), 3,281,000 cows (up by 498,200) and 12,583,000 pigs (up by 787,000).

In 1990 seafood production exceeded 1 million tonnes, and export value reached U.S.d [dollars] 205 million.

From 1986 to 1990, the industrial output value rose 6.2 percent annually.

In 1990, electricity ouput reached 9.05 billion kw/h, nearly 3.4 billion kw/h over 1986.

Cement ouput in 1990 totalled 2,455,000 tonnes, up by 1 million tonnes compared with 1986.

In 1990, 2.7 million tonnes of crude oil were pumped. It is estimated that crude output this reach 3.5 million tonnes.

Export value in 1990 stood at 1,090,000 million roubles and US dollar 1,170,000. That was almost enough to balance imports.

So far, licences have been issued to more than 200 projects of foreign invement totalling USd 1.7 billion in capital.

Decree Promulgates Child Care, Education Law

BK3008143191 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Aug 91

[Law on child care and protection, education of children, approved by the National Assembly on 12 August 1991 and promulgated by Vo Chi Cong, chairman of the State Council, in a decree dated 16 August 1991]

[Text] Law on Child Protection, Childcare, and Child Education

Children are a source of happiness for families and are the future of the country. They make up a generation that has taken up the cause of building and defending the fatherland.

—To improve the responsibility of families, public organs, the state, schools, social organizations, and citizens over child protection, childcare, and child education in order to turn children into useful citizens of the nation as advised by President Ho Chi Minh;

—Persuant to Articles 41, 64, 65, and 83 of the SRV Constitution;

This law stipulates the basic rights and duties of children and the task regarding child care and the protection and education of children.

Chapter I Generalities

Article 1: Children covered in this law are Vietnamese citizens under 16 years of age.

Article 2: All children, regardless of whether they are male or female, born of a legally-married or unmarried couple; offspring or adopted children; children from another marriage or children born to the same couple; and regardless of their parents or guardians' ethnic groups, religions, classes, social status, and political affiliations, shall be protected, cared for, and educated, and are entitled to all the rights stipulated by law.

Article 3: Responsibility for child protection, child care, and child education rests with families, schools, state organs, social organizations, and citizens. The state shall encourage and create conditions for organizations and individuals at home and abroad to contribute to the cause of child care and the protection and education of children.

Article 4: All children's rights shall be respected and enforced. All acts that violate children's rights and are detrimental to their normal growth shall be seriously punished.

Chapter II Basic Rights of Children and Their Duties

Article 5:

a. Children have the right to get a birth certificate and citizenship.

b. If requested, children of unknown parents shall be assisted by responsible organs to identify their parents.

Article 6:

a. Children have the right to be cared for, brought up, and educated so they can develop physically, mentally, and ethically.

b. The state shall create conditions for the protection, care, and education of children of ethnic minority groups and those living in high-lying offshore islands and remote areas.

c. Disabled and handicapped children shall be assisted by the state and society in rehabilitation so they can integrate into social life. They are entitled to attend special schools.

d. Homeless children shall be cared for, nurtured, and educated by the state and society.

Article 7:

Children have the right to live with their parents. Except for when it is in the interests of the children concerned, no one is allowed to force children to be separated from their parents.

Permission for child adoption shall be carried out as stipulated by law. This is to ensure that the children concerned are satisfactorily nurtured, cared for, and educated.

The bringing of children in and out of the country shall be carried out in accordance with the law.

Article 8:

a. Children's lives, bodies, human dignity, and honor shall be respected and protected by the state and society. They may express their opinions and aspirations concerning relevant issues.

b. Mistreating, humiliating, manhandling, and deserting children; kidnapping, trafficking in, and swapping children for dishonest purposes; inciting, luring, and forcing children into taking unlawful actions; or doing things detrimental to their wholesome growth shall be strictly prohibited.

Article 9:

a.' Children are entitled to healthcare and protection. Children under six years old shall be given preliminary health care. They are entitled to free medical care at state-run medical establishments as stipulated by the Council of Ministers.

b. State health organs concerned are dutybound to monitor, guide, and organize disease prevention and periodic physical examinations for children.

c. Unlawful use of child labor harmful to the children's normal growth is strictly prohibited.

Article 10:

a. Children are entitled to schooling and are dutybound to finish the mandatory education program. Children attending public elementary schools are exempted from tuition fees.

b. Parents or guardians are dutybound to create favorable conditions for their children's schooling.

c. The state shall work out a policy to ensure children's right to schooling, encourage children to study hard, and create conditions for children to develop their aptitudes.

Article 11:

a. Children are entitled to wholesome recreation and entertainment and to those cultural, literary, art, sports, and travel activities that suit their age.

b. The state shall encourage and promote efforts to build, protect, and use satisfactorily those material and technical bases and facilities designed to serve children's schooling, activities, and recreations.

c. The use of material bases and public facilities reserved for children's schooling, recreation, and entertainment for other purposes is strictly prohibited.

Article 12:

Children have the right to possess property and to inherit and enjoy all the insurance policies as stipulated by law. Parents, guardians, or responsible public organs or organizations shall preserve and manage children's property and shall return it to them when they reach adult age.

Article 13:

a. Children are dutybound to love, respect, and be pious to their grandparents and parents. They shall be polite to older people, love younger children, be in harmony with friends, help aging and disabled people, and help their families perform those things that they can do.

b. Children are dutybound to study hard, steel themselves physically, and comply with their schools' by-laws.

c. Children are dutybound to respect the law; observe a civilized lifestyle, public order, and traffic safety; preserve public property; and respect the property of other people.

d. Children are dutybound to love their country and their compatriots and to build and defend the socialist Vietnamese fatherland.

Article 14:

a. Children are not authorized to indulge in drinking and smoking and in the use of other stimulants harmful to their health.

b. All acts of luring children into gambling, drinking, smoking, and use of stimulants hazardous to health shall be strictly prohibited.

c. All acts of luring children into prostitution, selling decadent cultural works to or providing children with access to decadent cultural works or those toys and games that are hazardous to the healthful growth of children.

Article 15: Any investigation into the administrative, civil, and criminal responsibilities of those children violating the law shall be made as stipulated by the law for juvenile deliquents.

Chapter III Responsibilities of Families, the State, and Society

Article 16:

a. Parents or guardians are the first to take responsibility for the protection, care, nurture, and education of children. They shall create the best conditions for children's growth.

b. Parents, other older members of families, and guardians shall set good examples in all respects for children to follow. When facing difficulties which they cannot solve by themselves, they may ask the public organs or organizations concerned for help to satisfactorily perform their duty.

c. In cases of marital separation or in other cases, the father or the mother who does not directly raise his or her adolescent children has the duty to make contributions to the upbringing and education of his or her children. He or her has the right and duty to visit and care for his or her children as stipulated by law. All acts of inciting children to hate their parents, families, or guardians are strictly prohibited.

Article 17: Parents or guardians shall take administrative and civil responsibility for the damages caused by the acts of those children under their care.

Article 18:

a. Day-care centers, kindergartens, and general schools shall have necessary conditions to ensure child-upbringing qualitatively and satisfactory fulfillment of the educational standards set by the state.

b. Baby-sitters, kindergarten teachers, and those who supervise children's brigades shall be given professional training and be physicallly fit. They shall have good qualities and ethics, and shall love their career and children, thus ensuring fulfillment of their duties.

Article 19:

a. The state shall set aside an appropriate amount of its annual budgetary plan for child protection, childcare, and child protection.

b. Various ministries, state committees, and other organs of the Council of Ministers, the People's Councils, and the People's Committees at various levels shall, depending on their functions and authority, are responsible for organizing the program of action for child protection, childcare, and child education and for ensuring the enforcement of children's rights.

c. Law enforcement organs, depending on their functions, are responsible for enforcing or coordinating efforts to protect children's rights and interests, for preventing children from committing unlawful actions, for educating bad children, and for reeducating juvenile delinquents.

Article 20: The Committees for Child Protection and Childcare are responsible for helping the Council of Ministers and the People's Committes at corresponding levels in providing guidance, inspection, and supversion for the implementation of the plan for child protection, childcare, and child education. It is necessary to achieve a cooperation among state organs and socioeconomic organizations concerned in order to carry out child protection, childcare, and child education.

Article 21:

a. The Vietnam Fatherland Front and its subordinate organizations, and mass information organs are responsible for:

1. Providing predicatory propaganda for youth union members, youth association members, and the people to satisfactorily comply with the law on children.

2. Motivating various families to satisfactorily care for and educate children.

3. Attending to and protecting children's interests; supervising the enforcement of the law on children; and raising necessary suggestions with responsible state organs for implementation of such duties; and preventing those acts and protesting those decisions that run against children's rights and interests.

b. The Vietnam Women's Association, in addition to those responsibilities provided for in Point A of this article, is responsible for cooperating with public organs and organizations concerned in organizing and guiding efforts to raise healthy, well-mannered children.

c. The Ho Chi Minh Communist Youth Union, apart from the responsibilities stipulated in Point A of this article, is responsible for running the Ho Chi Minh Vanguard Teenagers Brigade and for organizing and guiding children's activities.

Article 22:

a. The state shall sponsor all scientific and industrial projects, all literary and artistic works, and all those initiatives and works beneficial to child protection, childcare, and child education and shall encourage various economic organizations of various sectors to set aside part of their welfare funds or their income for child protection, childcare, and child education.

b. The Children's Protection Fund shall be established with contributions from various state organs, mass organizations, economic and cultural organizations, charity, humanitarian, and other social organizations, from individuals at home and abroad, and from international aid in accordance with the cause of child education, child protection, and childcare.

c. Any attempts to use the Children's Protection Fund and other financial sources reserved for child protection, childcare, and child education for other purposes are strictly prohibited.

Chapter IV Commendation, Rewards, and Penalty for Violations

Article 23: Public organs, organizations, and individuals with outstanding achievements in child protection, childcare, and child education shall be commended and rewarded in accordance with the general regulations of the state.

Article 24: Those violating children's rights, mistreating, humiliating, manhandling, and deserting children; inciting, luring, and forcing children to engage in unlawful acts; lacking a sense of responsibility in the implementation of the task regarding child protection, childcare, and child education; harming the normal growth of children; or violating other stipulations of this law shall, depending at the degree of severity, be liable to disciplinary actions, administrative penalties, or criminal responsibility.

Chapter V Last Clause

Article 25: All the previous stipulations at variance with this law shall hereby be rescinded.

Article 26: The Council of Ministers shall work out details for the implementation of this law.

Committee Seeks Good Conditions for Investment

BK3108040891 Hanoi Voice of Vietnam in English 1000 GMT 30 Aug 91

[Text] The Central Overseas Vietnamese Committee has made a proposal to the state and concerned branches on amendments to a number of policies to create favorable conditions for a number of overseas Vietnamese to play a better role in economic production.

One of the suggestions to concern how to simplify procedures to facilitate their [word indistinct] of the whole country.

Australia

Government Reacts to Cambodian Settlement

Said 'Ready To Send 500 Troops'

BK0509084891 Melbourne Radio Australia in English 0800 GMT 5 Sep 91

[Excerpts] China is said to have promised to end its aid to Cambodia's Khmer Rouge faction completely once a settlement of the long guerrilla war has been concluded. Prominent American Congressman Stephen Solarz said in Beijing that he had been given this assurance by China's leadership and described it as an extraordinarily significant development. [passage omitted]

Meanwhile, it has been disclosed in Canberra that Australia is ready to send 500 troops to Cambodia as part of an United Nations Peacekeeping Force.

Khmer Rouge 'Has No Military Future'

BK0109064991 Hong Kong AFP in English 0643 GMT 1 Sep 91

[Text] Sydney, Sept 1 (AFP)—The Khmer Rouge can still "make mischief," but have no chance of regaining power in Cambodia by force of arms, Australian Foreign Minister Gareth Evans forecast on Sunday.

Speaking in a television interview, Evans said that last week's agreement between the four warring factions in Cambodia provided the best hope for peace in more than 14 years.

He acknowledged the possibility "of being blown off track at the last course," but said:

"There is a much higher ground for confidence than there has ever been before in the whole 12 years the civil war has been running and the two years that this particular peace initiative of ours has been running."

Evans, who gave his name to the peace initiative that emerged from the inconclusive Paris Conference in 1989, foresaw little danger that the Khmer Rouge would regain power in Cambodia.

"They depend wholly on support, arms and materiel from China," he said.

"China has made it absolutely clear that they are wholly in favour of this comprehensive settlement that is now being bedded down."

The Khmer Rouge has "the capacity, because of arms caches and so on that have been accumulated, to make some mischief for the next two or three years," he said, but "it is pretty well clearly decided that it has no military future in this context and that it really just has to try its luck in the electoral process."

The Cambodian accord, concluded in the Thai city of Phatthaya, paves the way for a comprehensive political solution to the conflict.

"I think we are very much on track for the bedding down and tying of ribbons round a comprehensive settlement within the next two months," Evans said.

He said that Australia could take "quite a degree of quiet satisfaction" for its diplomatic efforts.

Evans said he hoped to continue Australia's involvement in the task of the United Nations in Cambodia, but could not yet say what Australia's role would be.

Renewed Aid to Vietnam Considered

BK0409105891 Hong Kong AFP in English 1040 GMT 4 Sep 91

[Text] Canberra, Sept 4 (AFP)—Australia may resume several million dollars worth of government aid to Vietnam before the end of this year, Foreign Minister Gareth Evans said Wednesday. Evans said he was considering lifting the ban on aid to Vietnam, imposed after Hanoi's 1979 invasion of Cambodia to oust the Khmer Rouge.

Canberra has said it would not resume aid to Vietnam until a comprehensive peace settlement was reached by Cambodia's four warring factions, which include the Vietnamese-backed government in Phnom Penh and the Khmer Rouge.

The four have made substantial progress towards a settlement in recent months.

Evans said aid would be resumed "certainly not later than a Cambodian settlement but perhaps before that; that's one of the things we're reviewing."

He told a parliamentary committee examining foreign affairs expenditure that he was "discussing it with all nations with an interest in the area."

Evans said that the latest round of peace talks between Cambodia's warring factions had made it even more likely aid would be resumed to Vietnam quickly.

Evans said Australian non-government aid agencies provided between 15 million Australian dollars and 18 million dollars (12 million U.S. to 14 million U.S.) a year in aid, and that the government would eventually match this. But initial aid would be much less, probably in the two million dollar to four million dollar (1.6 million U.S. to 3.2 million U.S.) range, he said.

Canberra Rally Urges Recognition of Croatia

BK3108073791 Hong Kong AFP in English 0716 GMT 31 Aug 91

[Text] Canberra, Aug 31 (AFP)—At least 25,000 people massed in front of the Australian Parliament Saturday to demand that the government give immediate recognition to the breakaway Yugoslav republic of Croatia.

Organisers of the five-hour rally put the crowd at between 25,000 and 30,000 and said it was thought to be the biggest rally in Canberra since the Vietnam war. The official police estimate was 25,000.

The chairman of the Australian Croatian Community Council, Luke Budak, announced that he had information that Austria and Germany would recognise Croatia "within a matter of hours," and added, "but we want Australia to be number one."

Describing Croatia as a "funeral home," Budak said, "Recognition is the only thing that can save Croatia" from the Yugoslav Army.

"We want recognition today. We have heard enough rhetoric, we don't want any more promises and sympathy," he said, adding, "Tomorrow may be too late for Croatia."

John Langmore, an MP of the ruling Labor Party, read a statement from Prime Minister Bob Hawke expressing the government's concern over violence in Croatia and acknowledging that the people of Croatia and the northern Yugoslav republic of Slovenia had "freely and democratically expressed" their desire for independence.

But, Hawke said, the republics would be recognised only if they satisfied the "attributes of statehood."

After listening to speeches on the lawns in front of Parliament House, the crowd marched to the U.S. Embassy nearby for further demonstrations.

Evans 'Refuses To Be Rushed'

BK0109051991 Hong Kong AFP in English 0510 GMT 1 Sep 91

[Text] Sydney, Sept 1 (AFP)—Australia refuses to be rushed by a mass rally outside Parliament into immediate recognition of the breakaway Yugoslav republic of Croatia, Foreign Minister Gareth Evans said on Sunday.

The "crucial" test for recognising another country's independence was "a government in effective control of its own territory," Evans said.

Between 25,000 and 30,000 people attended a five-hour rally outside Parliament House in Canberra on Saturday to demand that the government immediately recognise Croatia as it had recognised declarations of independence by Estonia, Latvia and Lithuania on Tuesday.

Interviewed on television on Sunday, Evans argued that the Croatian authorities did not control their territory.

"Whatever we might think about the present situation, however much we might deplore it in Croatia at the moment, it is simply not possible to argue that that's the case in the way that it obviously was possible to argue it for the Baltics," he said.

Australia had to maintain "a degree of consistency and application of accepted international criteria."

Evans described the "divorce" between Croatia and other parts of Yugoslavia as "inevitable," but welcomed reports that a ceasefire had taken effect, saying there was now a possibility of the breakup of the federation "being peacefully negotiated under European auspices."

But he was less categorical about other Soviet republics, saying that their declarations of independence should not be "taken at absolute face value."

The Soviet central government is "obviously ... going to be reconstructed," Evans said, "but to make the assumption that we have seen the last of a central authority and that we are going to be dealing in future with 15 new nations is a very large assumption at this stage."

Fiji

Employers Warned To Expect Growing Union Demands

BK0109092291 Melbourne Radio Australia in English 0800 GMT 1 Sep 91

[Text] Fiji's major employers have been warned they face increasing demands from the trade union movement as the government moves to deregulate the labor market.

In an address to the Fiji Employers Federation, its president, (Robin Stock), said union demands would become even tougher to deal with as the proposed labor reforms developed. Under recent changes unions can now negotiate wages and other terms without reference to national statutory guidelines.

Referring to union claims for wage rises of up to 20 percent, Mr. (Stock) said he hoped the union movement would recognize the need to retain Fiji's international competitiveness and ability to create jobs.

New Zealand

Attempt To Force Peters From Cabinet Fails

BK0209103091 Hong Kong AFP in English 1025 GMT 2 Sep 91

[Text] Wellington, Sept 2 (AFP)—New Zealand Finance Minister Ruth Richardson has led a failed attempt to force outspoken Cabinet Minister Winston Peters to resign from his post, several media organisations reported here Monday.

Peters, who is minister for Maori affairs, has been a strong critic of the government's monetarist economic policies.

Both Radio New Zealand and Television New Zealand said Richardson and a number of other ministers tried to get Peters to quit, but he is reported to have said he had work to do and would not leave the cabinet.

Peters did not comment on the reports Monday night.

Prime Minister Jim Bolger told a post-cabinet press conference that Peters' position within the government had not changed.

Peters' criticism of government policy during the past 10 days was nothing new, Bolger said.

"The position that he has adopted has been heard before the election and since the election."

He said the criticism had not damaged the principle of cabinet's collective responsibility.

"There has never been a requirement in any cabinet that there be a unanimous view on all issues, demonstrably that would be impossible.

"Cabinets, like any other democratic institution work, on the basis of a majority reaching a conclusion (and) it becomes policy."

Bolger rejected speculation he would take over the Maori affairs portfolio from Peters if he was dropped from cabinet.

He recalled that a month ago he had said he had decided not to drop Peters from the cabinet and nothing had changed.

Bolger confirmed rumours of a minor cabinet reshuffle shortly, saying the changes would be "appropriate."

Parliamentary sources tip several changes shortly with Environment and Health Minister Simon Upton tipped to give up his portfolio and Labour Minister Bill Birch to be made the minister of Crown Health Enterprises to oversee the corporatisation of state hospitals.

Papua New Guinea

BRA Claims To Uncover Government 'Spy Network'

BK0509072091 Melbourne Radio Australia in English 0500 GMT 5 Sep 91

[Text] The Bougainville Revolutionary Army [BRA] claims that it has uncovered a Papua New Guinea spy network aimed at starting a civil war on the island.

The BRA claims the network involves a number of tribal chiefs in the central and northern regions of Bougainville who are being used by the Papua New Guinea Government in a bid to divide the people and cause inter-tribal fighting.

In a statement issued in Honiara and broadcast by Solomons Radio, the BRA says the plan was to create civil unrest among Bougainvilleans, thus giving the Papua New Guinea Defense Forces an opportunity to retake the island.

Vanuatu

Further on No-Confidence Vote, Government Crisis

Lini Boycott Prevents Vote

BK0309010091 Hong Kong AFP in English 0047 GMT 3 Sep 91

[Text] Port Vila, Sept 3 (AFP)—Vanuatu's Prime Minister Walter Lini was given a last-minute reprieve from dismissal Tuesday when his supporters boycotted a parliamentary sitting called to debate a motion of no-confidence in him.

By staying away from parliament, Lini and 21 MPs loyal to him denied their 24 parliamentary opponents the quorum necessary to debate the motion.

Speaker, Vincent Boulekone, told the parliament that under Vanuatu's Constitution at least two-thirds of the 46 MPs must be present the first time such a motion is debated.

However, officials of the ruling Vanu'aku Pati (VP) said the prime minister had only managed to postpone his inevitable sacking.

The Constitution allows for a simple majority to debate a motion of no-confidence at a second sitting three days later.

Boulekone adjourned the extraordinary session until Friday and Lini's opponents, led by former Foreign Minister Donald Kalpokas, were confident they would succeed in their motion.

Lini would be expected to resign immediately and under the rules of the VP, Kalpokas, who was elected party president by a special congress on August 7, would automatically become prime minister.

Moves to sack Lini follow what his opponents have described as erratic and capricious behaviour by him over the past nine or 10 months.

He has sacked about eight ministers and at least 50 public servants including his first secretary Joe Natuman, Vanuatu's most senior law officer Silas Hakwa, and most recently Police Commissioner Willie David Saul this week.

Lini has been prime minister since the former Anglo-French condominium of the New Hebrides was granted independence as Vanuatu 11 years ago. He and Kalpokas are founder members of the VP.

Vote Scheduled for 6 Sep

BK0409025891 Hong Kong AFP in English 0232 GMT 4 Sep 91

[Text] Port Vila, Sept 4 (AFP)—Born in turmoil 11 years ago, the tiny islands nation of Vanuatu is in turmoil again as it nears what most people here hope will be the final act of what they call the South Pacific's greatest farce.

In quick succession last week, Prime Minister Walter Lini sacked his first secretary, his chief law officer, his ambassador to the United Nations and his chief of police without what any considered a valid reason.

The sackings followed those of eight ministers, including some of Lini's former closest allies and 50 to 60 other senior public servants who say their mistake was to work with colleagues of Lini who no longer pleased him.

Lini, a 48-year-old Anglican priest, is the man who steered the former British-French condominium of New Hebrides through the complex sometimes violent route to independence as Vanuatu in 1980.

As its first and only prime minister, he has also been until now one of the Pacific's most durable leaders, but Friday he faces dismissal himself by colleagues tired of his erratic behaviour.

"Public opinion is completely against him and the supporters he has left," said Joe Natuman, sacked last Friday as first secretary to the prime minister.

"There is really no means by which Lini can stay in office now unless he and his supporters do something illegal."

The opponents are convinced that, finally, he has run out of legal maneuvers to hold on to power any longer and 24 of the 46 MPs now opposing him are ready to vote him out in a no-confidence motion Friday.

Lini has tried unsuccessfully to persuade the courts to stop parliamentary action against him.

Moves against him follow what has been described as arbitrary sackings, capricious decision making and worsening health in the aftermath of a stroke he suffered in the United States in 1987 and a heart attack earlier this year.

An article in the publication PACIFIC REPORT in May stated he was then barely fulfilling any leadership role.

"He is reported to be no longer able to read or write, unable to be briefed because of severe memory (?lapses), and has forgotten names of people he has known for years," the article said.

However, party colleagues have been reported on Radio Vanuatu as saying it was not so much memory lapses which caused problems as his relationship with foreign businessmen at the expense of Melanesian relationships.

Whatever the reason, Lini has recently been seen as the best show in town.

Tickets have already been allocated for many of the seats in the public gallery of the cramped little Parliament for Friday's extraordinary sitting.

The gallery was packed with foreign diplomats and correspondents for last Tuesday's special sitting, boycotted by Lini and the 21 Vanua'aku Party (VP) MP's who are still loyal to him or who (?see) their fate is tied up with his.

The boycott denied their parliamentary opponents the two-thirds attendance constitutionally required to form a quorum to debate a motion of no confidence in the leader when first it is raised.

However, the sitting was adjourned until Friday because such a motion can be raised again three days later when a simple majority is all that is required.

If it is passed, convention requires the leader's immediate resignation.

Former Foreign Minister Donald Kalpokas should be elected prime minister automatically after being elected president of the VP when Lini was dumped by a special congress a month ago.

Natuman said after Tuesday's sitting: All the legal and constitutional procedures have been exhausted and what they did today was last gasp.

According to Silas Hakwa, sacked from the public service position of attorney general Tuesday last week: "The public service has ground to a standstill because of what has been happening.

"The government has no control or sense of direction and nobody knows where it is heading," Hakwa said.

"The only answer is to get rid of Lini and have a new government so things can start moving again in terms of investment and so on."

Sacked Police Commissioner Willie David Saul could not be contacted for comment.

Nikenike Vurobaravu, ambassador to the U.N. and high commissioner to Australia, New Zealand and China until last week said: "According to our laws a person in my position could only be sacked for serious misconduct which there hasn't been.

"But this did not matter and nor did it matter that I have served three ministers."

He said the community was suffering because the core of its trained bureaucratic and political leadership had been sacked. "We are a young country, only 11 years, and you can't have many experienced people in that time."

Vanuatu was the scene of bitter hostility between Lini and his former ally Jimmy Stephens just before its independence in 1980.

Lini Supporters To Attend Session

BK0509072091 Melbourne Radio Australia in English 0500 GMT 5 Sep 91

[Text] In Vanuatu, the Father Lini faction of the ruling Vanua'aku Party that boycotted last Tuesday's extraordinary session of Parliament has now agreed to attend tomorrow's session to debate a motion of no-confidence in the prime minister.

A spokesman for the 21 Lini supporters in Parliament, Sethy Reganvanu, announced that they would be attending the session.

According to Vanuatu parliamentary rules, members may lose their seats if they do not attend Parliament after three days following an adjournment caused by a lack of quorum.

Radio Vanuatu says this means the 21 members of Parliament led by Father Lini could lose their seats if they boycotted tomorrow's session.

Notice of the no-confidence motion was signed by 24 members, 19 of whom belonged to the Vanua'aku Party.

In a broadcast over Radio Vanuatu, Father Lini has conceded for the first time that he could be ousted as prime minister tomorrow. However, he said that if he was defeated in the no-confidence vote he would go into opposition and contest the election scheduled for later this year.

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End